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PROPERTY MANAGEMENT

1.0 PURPOSE AND POLICY

1. The Animal and Plant Health Inspection Services (APHIS), a division of the Department United States Department of Agriculture, is required to maintain a property management system for Marketing and Regulatory Program (MRP) organizations in accordance with sound practices and the applicable government property regulations.

2.0 SUPERCEDING INSTRUCTIONS

1. This manual supercedes APHIS Manual 201

3.0 GUIDELINES

1. The APHIS property system provides the processes and methods for controlling and protecting all property under the responsibly of APHIS. This property system consists of established methods of acquiring, receiving, identifying, recording, marking, protecting, maintaining, and disposing of property in an effective manner. The property system is documented in APHIS property procedures contained in this manual and referenced documents. As of the date of this manual, the property system is used to manage MRP government property. The Corporate Property Asset Information System (CPAIS) is being developed by USDA for use by APHIS to manage personal property assets in the future. For that reason, the generic term, “property system,” is used to describe the system until implementation of CPAIS, except where a specific reference to PROP or CPAIS is indicated.

2. All property acquired by APHIS must be categorized according to type prior to receipt. Property is acquired according to the applicable government acquisition regulations and controlled items are identified to ensure that they are recorded in the PMIS

3. Upon receipt, all controlled property is identified with a unique number and description to ensure that it is tracked and managed in accordance with established requirements. Acquired property is used only for the purpose for which it was obtained and is maintained and controlled in accordance with established procedures.

4. When it is determined that an asset is no longer required by the using organization, it is identified as excess and disposed of in accordance with the applicable procedures to ensure the most cost effective use of all

property. When assets are idle for short periods of time, but a need for the assets still exists, they must be stored in secure areas to protect against theft, loss, and deterioration.

5. To ensure the property system remains compliant and viable, the Branch Chief/Management of Personal and Real Property (BC/MPRP) will periodically plan, audit, and oversee the review of the essential elements of the property system. These reviews may be in the form of self-audits and should target essential processes, e.g., system validity, accurate property records, manpower, and documentation. When property system discrepancies are noted, the BC/MPRP or designee is responsible to ensure the appropriate corrective action is initiated.

6. APHIS is responsible for managing all personal property consisting of equipment, furniture and fixtures, motor vehicles, aircraft, hardware, and other non-real assets of a durable nature. These assets are not intended for sale in the ordinary course of business and are intended to be used or available for use by APHIS. They do not include federal mission property, plant and equipment; heritage assets; or stewardship land.

7. The following types of personal property will be recorded, tagged, inventoried, and tracked throughout the life cycle of property management. Definitions are provided in Procedure 1, paragraph 5.0 of this manual.

   a. Controlled Property

   b. Capital Property

   c. Accountable Property

   d. Sensitive Property

4.0 ELEMENTS OF THE PROPERTY MANAGEMENT SYSTEM

1. The property management system consists of three elements: people, procedures, and process tools. These three elements must be monitored to ensure they are compatible and supportive.

Procedures

2. The property system is essentially documented in APHIS procedures. These procedures provide a complete outline of the functioning property system and are available for all personnel responsible for managing and controlling property under the control of APHIS. The BC/MPRP will also appoint a committee to periodically review the Property System

documentation (procedures) to ensure that they are up to date, accurate and comply with established government and industry property standards. All elements of the property system are documented in operating procedures. The committee will also consolidate all property management documentation to ensure that property requirements are accessible to the responsible personnel.

Personnel

3. A comprehensive description of personnel with property management responsibilities is identified in the section below.

Process Tools

4. Business process tools include: computer systems, forms as data collection devices, reports as data dissemination devises, and the interfaces between these components. As this Manual is being developed, APHIS is in transition between the current property management information system, PROP, and the new property system, CPAIS, which is currently under development. This manual supports the PROP procedures but contains placeholders for CPAIS requirements as they are developed.

5.0 PROPERTY MANAGEMENT RESPONSIBILITIES

1. The management and protection of government property is a public trust and all users of property under the custody of APHIS are responsible to ensure that assets are acquired, used, and disposed of in the most cost effective manner. Individuals who misuse property may be liable for its loss, damage or destruction. Individual employees are also responsible to understand their obligations in the daily management and control of property and to follow established property procedures.

Director of Personal and Real Property

1. The Director of Personal and Real Property (DPRP) is also the Director of Administrative Services division and is the executive officer responsible for managing and administering the overall property management program. The DPRP provides direction to the BC/MPRP. The DPRP is responsible to provide leadership for the entire property management system, including coordinating property management issues with senior United States Department of Agriculture officers. The DPRP will coordinate and designate responsibilities of financial and system management for property requirements.

Branch Chief/Manager Personal and Real Property

2. The BC/MPRP is responsible for the overall administration and planning of the property management program. The BC/MPRP is responsible to develop, revise, review and distribute policy, procedures and manuals, which are supported by the electronic system, PROP. The BC/MPRP is also responsible to ensure that the property system is reviewed using self-audits and inventory checks to ensure that it is efficient and complies with established requirements. Specific responsibilities include:

   a. Reviewing and coordinating property manuals and procedures with affected officers and organizations.
   b. Representing APHIS with other governmental and commercial agencies concerning property issues and regulations.
   c. Obtaining and submitting AHPIS property reports to internal organizations and government agencies.
   d. Providing staff assistance to field offices and other organizations performing property functions.
   e. Developing training programs to ensure employees understand property management systems and procedures.
   f. Developing and implementing programs to ensure property is used effectively and efficiently.
   g. Supervising Property Teams.

Property Team

3. Under the leadership of the BC/MPRP, The Property Team performs the following functions within their scope of property (typically a region or major program).

   a. Reviewing and coordinating property manuals and procedures with the BC/MPRP
   b. Assisting with the implementation of property issues and regulations
   c. Overseeing the property management system administration
   d. Preparing property reports for internal organizations and government agencies
   e. Providing tagging guidelines
   f. Providing inventory guidance and planning
   g. Providing staff assistance to field offices and other organizations performing property functions
   h. Providing review of system data
   i. Providing property management support, e.g., data input, physical inventory, running reports and other support duties.

Regional Property Officers

4. The regional offices provide support and guidance for all property activities within the regional area. This includes support for acquisition, property identification, inventory activities, and screening and disposal. The regional office also establishes property policy and training for the appropriate region within the guidelines of APHIS property management directives.

5. RPOs are involved in approving procurement actions and other major property transactions. They will oversee PO assignments, training and communicating with POs, major initiatives and change, serve on the Property Council, assist with transfers between programs, and screening.

Property Officers (PO)

6. The property officer (PO) is designated in writing as the individual accountable for all property issues in a specified location or area. Their basic responsibilities include:

   a. Delegating responsibilities and authority to staff members, when necessary. For example, the PO may delegate certain staff members to perform physical property inventories or conduct property self audits in a specific area. Delegation must be reported to the BC/MPRP
   b. The PO is generally responsible for recording, movement, control, maintenance, utilization and disposition of all property assigned to his/her administrative area.
   c. Ensuring that all applicable property requirements and regulations, including those pertaining to the acquisition, maintenance, disposition, control and disposal of property are followed in his/her area of jurisdiction.
   d. Providing reports of property management activities to the BC/MPRP as applicable.
   e. Ensuring that all required physical inventories of property under his/her jurisdiction are carried out as required and properly reported to the appropriate agencies.
   f. Coordinating all property issues with employees and to ensure that employees are aware of all property procedures and regulations pertaining to their area. The PO will ensure that all employees in his/her jurisdiction have access to property procedures and are aware of all applicable property regulations.

Users

7. The property users are responsible to understand the property systems that pertain to their area of expertise. They are required to be familiar with all

established property procedures and policies that apply to their duties. This includes acquiring, controlling, protecting, maintaining and disposing of property in compliance with established requirements and most economical manner feasible.

a. Employees are responsible to follow established acquisition procedures when acquiring property to ensure economical ordering practices. The first source of property should always be excess property from other organizations
b. Employees are responsible to ensure that property is inspected upon receipt and, if required, recorded in the property system and marked or tagged.
c. Employees will use property only for the purpose for which it was acquired and for its intended use. Personal or illegal use of government property may be punished by fine or dismissal. Any personal use of property under the control of APHIS must be previously approved. Employees are expected to report any loss, damage, or theft to the PO or BC/MPRP.
d. Employees will report any excess or surplus property to the PO for reutilization.

Board of Survey

8. The Board of Survey is a committee, which reviews cases of lost, stolen, damaged or destroyed property, involving possible negligence. The committee members include: a chairperson; and two appointed members. The PMO, the employees involved in the case under consideration may not serve. Other responsibilities of the Board include:

a. Determining liability and responsibility in cases involving lost, damaged, stolen or destroyed property.
b. Providing recommendations to the Director of Human Resources involving disciplinary action in such cases.
c. Issuing letters of caution, etc., to employees when warranted.

Property Council

9. The property council is comprised of organization leaders that impact or are impacted by property management issues. The DPRP will facilitate the council. Through its Charter, the Property Council will accomplish the following

a. Facilitates consistent, cost effective interpretation of and compliance with applicable property regulations. As required, assists in monitoring compliance through metrics.

b. Promotes efficient management of and protection of personal property through standard processes and procedures.

c. As required, reviews and monitors site property procedures.

d. Advises on property matters.

e. Supports effective property management training.

f. Monitors effectiveness of management information system, CPAIS.

g. Provides guidance to agency on inter-functional processes by building and sustaining working relationships with related functional organizations and oversight entities.

h. Creates and supports committees to address current, significant property issues

i. Provides reports as required.

REFERENCES

1.0 MANUALS

Federal Property and Administrative Services Act of 1949

FASAB 6 - Accounting for PP&E

FASAB 8 - Supplementary Stewardship Reporting

FASAB 11 -Amendments to Accounting for Property, Plant, and Equipment

SFFAC 1 - Objectives of Federal Financial Reporting

SFFAS 10 - Accounting for Internal Use Software

Federal Acquisition Regulation 36

JFMIP Financial Management Procedures including:
Expensed Property
Depreciation, Amortization, or Depletion of Capitalized Assets
Transfer, Disposal, or Retirement of Assets

OMB 126 Management of Government Aircraft

OMB Circular A-127 - Financial Management Systems

OMB Circular A-11 - Planning, Budgeting, and Acquisition of Capital Assets

<u>USDA/APHIS Manuals and Regulations</u>

BOCC Budget Object Code

USDA Financial and Accounting Standards Manual
Chapter 4 Budget Execution and Funds Control
Chapter 9 Property, Plant, and Equipment
Chapter 10 Inventory
Chapter 14 Form and Content of Financial Statements
Chapter 16 Accounting for Internal Use Software

USDA Departmental Regulation 2100-001 - Financial Management Systems

AGPMR Sub-Chapter A Property Management System
Sub-Chapter D Public Buildings and Space
Sub-Chapter E Supply and Procurement
Sub-Chapter D Fleet Management
Sub-Chapter H Utilization and Disposal
Sub-Chapter N Accountability and Control

USDA Dept Regulation 2200-002 - Capitalization and Depreciation of Real and Personal Property

USDA APHIS Property Users Manual

APHIS Procurement Manual

USDA Utilization and Disposal Desk Guide

APHIS Personal Property Management Training Manual

USDA APHIS Budget and Accounting Manual

USDA Memos:
Change in Capitalization Threshold for Real Property: CFO, April 22, 2002
Bulk Purchase of Property, Plant, and Equipment: CFO, date?

APHIS Purchasing Manual

APHIS Motor Vehicle Fleet Management Program

GSA Website

<u>Property Related Forms</u>

Property Record	AD -106
Report of Transfer or other Dispositions	AD -107
Report of Unserviceable, lost, stolen, Damaged or Destroyed Property	AD -112
Procurement Request	AD -700
Purchase Order Receipt	AD -838-5PE
Purchase Order	AD - 838-7
Property Pass	AD - 873
Motor Vehicle Accountability Data	AD - 999
Operation and Utilization Record	AD -187
Employee Exit Inventory	APHIS - 40
Transmittal and Receipt for Accountable Items	APHIS - 47
Request for Federal Cataloging Supply Support Action	GSA - 1303
Motor Vehicle Delivery	GSA-8002
Request to Establish, Close, Expand, Release or Relocate Facilities	MRP–114
Personal Custody Property Receipt	O – 130
Transfer Order	SF – 122
Report of Item Discrepancy	SF – 364
Quality Deficiency Report	SF – 368
Report of Excess	SF - 120

<u>Property Related Reports</u>	**Number**
BC/MPRP and PO Name, Address and Inventory Status	28

Report by Down Time	
Report by Vendor	
Report by Vendor Type	
Report by Service Area	
Report of Repairs not Completed Satisfactorily	
Report by Maintenance Type	
Report of Repairs not Covered by Contract	
Personal Property Inventory	Prop 302
PMIS Suspense Notice	Prop 304
Agency Report of Motor Vehicle Data	SF-82
Report of Surplus Personal Property For Sale	SF-126

2.0 DEFINITIONS

These definitions are applied to APHIS management of personal property.

Accountable Property – Property with a base cost of $5,000 or greater, but less than $25,000. It is not capital property and is not depreciated or reported in APHIS financial statements but is controlled in the same manner through recording, tracking and disposal.

Capital Property – Personal property with a base unit of $25,000 or greater with a useful life of two or more years. Capital property has a designated useful life and is depreciated over that life. This includes internal use software of $100,000 or more. These assets are controlled in the accounting system that codifies a set of processes for maintaining financial records of business transactions.

Capital Leases - Leases of assets that are deemed, based on meeting specific criteria, to be purchases financed over a specific period of time. These leases are capitalized as capital assets rather than charging heir lease payments as operating expenses.

Controlled Property – Property that receives physical oversight and surveillance throughout its life cycle using various management tools and techniques. Controlled property includes capital, accountable and sensitive property. Controlled property is recorded in a formal personal property accounting system and is controlled by an identification system and supporting records from its acquisition through disposal.

Custodial Items – Items issued from tool cribs, office stock rooms, organizational equipment pools, etc. These items must be documented on accountability records to ensure control of sensitive and expensive property.

Equipment **–** Personal property that is a complete unit, is durable with an expected service life of one year or more and is not used as a component of another item.

. <u>Excess property</u>- Property no longer needed by the owning agency.

<u>Equipment Pools</u> – A method of accumulating underused property to allow for multiple uses.

<u>Field Services Office</u> - Local field site organization responsible for property and other issues

<u>Government owned property</u> - property in the custody of APHIS, which was acquired directly from the Federal Government or with government funds.

<u>Inventory by Exception</u> – Verification of an item of controlled property by using calibration records, move records or other process actions to "site" the item.

<u>Inventory List</u> – A list of controlled (capital) property for inventory purposes, under the responsibility a local organization (PO).

<u>Maintenance</u> – Routine work required to keep property in serviceable condition, including repair and or replacement of parts, material and equipment.

<u>Material</u> **–** Property that may be incorporated or attached to and end item or consumed or expended in a process.

<u>Non-controlled property (Non-capital)</u> - expendable property of a non-permanent nature that is not controlled or documented in the property management system

<u>Owning Agency</u> – The organization having physical control over a property item as shown in the personal property management system.

<u>Property Officer</u> – An APHIS employee, designated to be responsibility for the management of property in his/her program area.

<u>Personal property</u> – As used in this manual means all property other than real property.

<u>Property Management Information System</u> – A computerized personal property inventory and control system, used by APHIS to provide and maintain inventory and property data.

Branch Chief/ Management of Personal and Real Property – The designated officer responsible for planning and administering the overall personal property management program including developing procedures and processes pertaining to property management and ensuring compliance with established procedures.

Property Team Minneapolis Business Site **–** Property contact site for marking, Recording and other property issues.

Real property – Land and rights in land, ground improvements, utility distribution systems, and buildings and other structures.

Sensitive Property is property that regardless of value could easily be adapted for personal use or converted to cash. It is also property for which the theft, loss, or misplacement could be potentially dangerous to the public safety or community security, and which must be subject to exceptional physical security, protection, control, and accountability. Note: APHIS currently considers weapons, laptop computers and radios as sensitive.

Serviceable (usable) property **-** Property that has a reasonable prospect of use or sale either in its existing form or after minor repairs or alterations..

Surplus property **–** Property no longer needed by the Federal Government .

Unserviceable property **–** Property that is unusable because it is obsolete, uneconomical to repair, parts are no longer available.

Utilization Survey – A method of determining the hours an asset is used over a given period of time.

Wall-to-Wall – An inventory method involving verification of all controlled property within a prescribed area.

3.0 ACRONYMS

APHIS **–** Animal and Plant Health Inspection Services
APMR – Agriculture Property Management Regulations
ASD – Administrative Services Division
BC/MPRP - Branch Chief/Management Personal and Real Property
BOC – Budget Object Code
AAMS – Department of Excess Personal Property Coordinator
DPRP - Director Personal and Real Property
DPO – Dummy Purchase Order
FAR – Federal Acquisition Regulations
FSO **–** Field Services Office

GEO **–** General Accounting Office
GOP - Government Owned Property
GSP – Government Services Administration
MBS – Minneapolis Business Site
MBSPT – Minneapolis Business Site Property Team
NFC – National Finance Center
OSD – Overages Shortages and Damage
PM – Preventive Maintenance
PMIS – Property Management Information System
PO – Property Officer
PO – Purchase Order
PPD – Property Program Director
PRISM – Property Record Information System
PROP – Property Reporting System (Reporting system of NFC)
PTMBS- Property Team Minneapolis Business Site
PSFSO – Property Section Field Services Office.
RPO – Regional Property Officer
USDA – United States Department of Agriculture

PROPERTY REQUIREMENTS AND ACQUISITION

1.0 PURPOSE

1. As a federal agency, APHIS has the authority to spend federal funds to obtain personal property. All property acquired through APHIS must be supported by a justified requirement. Prior to acquiring property, the responsible organization or individual must consider the purpose of the acquisition and ensure that the property under consideration supports the overall mission.

2.0 GUIDELINES

1. Definitions, acronyms, references, forms and reports are discussed in Procedure 1 Property Management.

2. The first source of supply for APHIS is excess or surplus property from internal organizations, USDA sources and other Federal Government agencies.

3. Any acquisition of property by APHIS personnel must comply with established USDA and Federal government acquisition regulations, e.g., Federal Property and Administrative Services Act of 1949, and other regulations.

4. Property records must be established for all controlled property during the acquisition process, including the lease, loan or rental of property.

3.0 REQUIREMENTS IDENTIFICATION

1. In accordance with the USDA, APHIS Budget and Accounting Manual, organizations must prepare a yearly budget and input and submit an AD 703 Operation Plan, which establishes accountability by accounting code in the Financial System. When establishing the budget, organizations should refer to the USDA Manual, Quick Guide: Proper Use of Budget Object Codes for Personal Property to ensure acquired property is properly classified and the proper budget object code is assigned to the assets.

2. Prior to initiating any acquisition action, the responsible organization must perform value analysis during the planning and implementation stage of a program or process. During the analysis, the organization determines property needs, acquisition sources, future needs for acquired property, and comparable costs of lease, rent, transfer and purchase and possible storage costs.

3. Prior to acquisition, the acquiring agency/individual must ensure the property being acquired is reasonable based on requirements and not available through screening for excess or existing stocks.

4. The requestor must identify the property BOCC for the type of property to be acquired. This is applicable regardless of the method of acquisition.

5. The acquiring organization will also review the various acquisition methods and determine the most efficient and cost effective source for the property required. The basic methods of acquisition are:

   a. Acquisition from Excess and Transfer
   b. Acquisition from Donation and Cooperative / Collaborative Agreements
   c. Acquisitions through Loans from Other Agencies, Lease and Rent
   d. Acquisition from Purchase.
   e. Acquisition of Motor Vehicles
   f. Acquisition of Aircraft

6. When acquiring property, assets must not be obtained in excess of obvious needs. Stockpiling property for possible future requirements is prohibited. All acquired property must be justified by identifiable program requirements. Also, when acquiring property, the possibility of storage and refurbishment costs of excess property must be considered.

4.0 EXCESS AND TRANSFER

1. Excess property may be obtained through the FSO from these sources:

   a. APHIS organizations
   b. AAMS - The USDA excess pool serving the Washington D. C. area.
   c. GSA listings (www.gsa.gov)
   d. DOD listings

2. The PO determines if acceptable property is available and the source of the property. The PO also considers the approximate cost to transport and restore excess property, and determines if the frequency of use justifies acquisition or lease of assets, and the cost effectiveness of lease or rent vs. purchase.

3. If the PO determined that the acquisition of excess property is acceptable, the individual/organization acquiring the property initiates a request through the GSA website.

4. The PO will check the availability of property from the various excess sources and coordinate with the owning organization to obtain the assets.

5. All items obtained from excess or donation must be documented on an AD 107, Report of Transfer or other Dispositions, or other transfer document. The FSO is responsible to ensure a transfer is initiated for all such property and routed to the responsible organization to ensure the assets are documented in the property system.

6. The receiving organization is responsible to prepare the necessary forms to transfer accountability of the property from the losing organization to the acquiring organization. These forms include an AD-107, Report of Transfer and an AD-700, Procurement Request.

7. The receiving organization prepares an AD 700 in the PRISM system and initiates a PO to document the acquisition of the asset in the property system. In the future organization will prepare PO in the Integrated Acquisition System (IAS) for acquisition of the asset into CPAIS.

5.0 DONATION AND AGREEMENTS

1. If assets are donated to APHIS, the responsible employee/organization notifies the BC/MPRP by memo of the gift. The memo should include the following information:

   a. Name and address of donor.
   b. Description and estimated value of the item(s).
   c. Signed statement from the donor, affirming that the donor is the sole owner of the asset and confirming that the donor wishes to offer the property unconditionally as a gift.

2. The responsible PO will provide instructions for transferring and receiving the donation.

3. Cooperative and collaborative agreements are governed by APHIS policy. For more information on these agreements see USDA/APHIS Purchasing Manual (blue cover). Purchasing personnel should coordinate with the BC/MPRP to identify property ownership issues and resolution.

4. Copies of all active cooperative agreements are available from the appropriate BC/MPRP. Federal property required for use in cooperative programs and collaborative projects must be acquired through the PO assigned to the project and authorized in the specific agreement.

6.0 LOANS, LEASE AND RENT

Loans

1. Property, not required for long-term use, or expensive equipment may be acquired through loans from the owning organization. The acquiring organization may identify prospective property by reviewing report 323, Personal Property Report by PO or a similar report. Once potential property is identified, the acquiring organization provides the PO with information concerning the property, the PO then notifies the owning organization. If the property is available, the PO will arrange for transportation and initiate the necessary AD-107 or AD-700 to document the transaction in PRISM.

Rentals and Leases

2. Property needed on an occasional basis may be rented from local sources rather than being purchased or procured through excess. Assets may also be leased from the manufacturer or a vendor for specified periods of time. When leasing or renting items, the responsible organization/employee must

consider the cost of leasing or renting in comparison to the cost of purchase or acquisition from excess. The acquiring organization must also consider the length of time the item is needed and if the expense of leasing or renting may be applied to the possible purchase of the asset.

3. Organizations considering renting or leasing property from outside sources should make a list of the assets required and provide it to the BC/MPRP.

4. If the organization requesting the lease or rental is under the jurisdiction of the Washington D. C. Office, they will submit the request for rent or lease to ASD. The BC/MPRP or ASD will consider the request and determine if lease or rent of the asset is feasible. If so, the BC/MPRP or ASD will provide information to the requesting organization on how to initiate the lease or rent agreement.

5. If property is leased or rented, the responsible PO will submit an AD-700, Procurement Request to procurement to document the lease/rental action. The PO is responsible to ensure all data concerning the lease and rental of property is input into the PRISM System.

6. If leasing motor vehicles, refer to the USDA Motor Vehicle and Personal Property Manual, or APHIS Manual 5400, Motor Vehicle Fleet Management Program. GSA leased vehicles, will they be maintained in CPAIS.

7.0 PURCHASE

1. The procedures for purchasing property are defined in USDA Purchasing Manual (Blue) April 2003. For specific information concerning the processing of acquisition documents consult that manual.

2. The Foundation Financial Information System (FFIS), USDA's Budget Execution and Accounting System, provides the Budget Object Code Table (BOCT). The table provides the budget object codes (BOC) used to identify the types of equipment purchased and whether they are capital or non-capital, accountable or non-accountable. The requestor must carefully select the correct BOC so that the current value of assets within APHIS is stated correctly, the depreciation rate is established, and the level of accountability/control exercised in the personal property system (current PROP/future CPAIS) is set properly. The USDA Manual, Quick Guide: Property Use of Budget Object Codes for Personal Property provides information to requestors on properly assigning budget object codes (BOC) for personal property requests to ensure proper classification.

3. The requestor is required to include the BOC in the AD-700 (purchase request), and the Purchasing Team member processing the request will review and correct the BOC, if necessary, as well as other requisition data, prior to submission as a purchase order.

4. All authority to purchase property lies with the appropriate CO. A CO has the authority to purchase property within the restrictions stated on the applicable Certificate of Appointment. The Purchasing Manual provides further information concerning limits to purchasing power. Warranted contracting officers are encouraged to use credit cards (VISA) for purchase due to potential cost savings through prompt payment and reduction of paperwork.

5. Non warranted employees may initiate restricted purchases using the following methods:

   a. Blanket purchase arrangements. These are limited to $2,500 per transaction and $100,000 per year and are monitored to ensure compliance.
   b. Interagency and interagency agreements.
   c. Grants.
   d. Cooperative agreements.
   e. Credit Cards (Visa).

6. Purchase request. The AD700 is used for procurement of most controlled assets. The requestor will complete the AD700, as follows:

   a. Enter the database in Prism, click on "AD700 Proc Req," and enter the ship-to address. Prism will only accept one ship-to address, so purchase orders so requestors purchasing controlled equipment for further disposition to multiple destinations will annotate the destinations and quantity for each asset on an attachment to the AD700.
   b. Type in the description. The field is wrap-around so detailed information can be entered. This will assist property management in identifying specific items from the PO.
   c. Accounting information. Based on instructions above, ensure that the correct BOC is entered.
   d. Print a copy of the request form.
   e. Submit the purchase request. The system will assign a purchase request number.

7. Purchasing Agent Actions

   a. Complete Purchase Order Form AD838 and goes through approval process, including approving official authorized to commit the funds.

b. Purchasing Agent obtains three quotes for the procurement, if required.
c. Purchasing Agent obtains ITD concurrence that assets are compatible with the IT infrastructure of the Agency.
d. Following award, Purchasing Agent provides a copy of the purchase order to the “Ship to” addressee(s) to assist in the processing of the receipt. Current PO distribution is to requestor, vendor, PO copy (ASD), and ship-to addressee.
e. The Purchasing Agent will also fax a hard copy of all purchase orders with BOC’s in the 3100 series to the Property Management Team at the Minneapolis Business Center (MBS) (fax number 612-370-2114), indicating all receiving points as well as a copy to the regional Property Team member to provide information to establish a due-in record.

8. Property Team responsibilities

a. Property Team will receive a hard copy of all purchase orders for controlled equipment with the correct budget object code (BOC), complete descriptions of all assets requested, and final destinations of assets by quantity to be shipped to those locations.
b. The regional Property Team member will establish a due-in file by Purchase Order number. This due-in purchase order file will be pending until the Property Team receives the corresponding Property Receipt Form described in the Receiving, Tagging and Identification section, below.

9. For further information concerning these acquisition methods, consult the Purchasing Manual. The Purchasing Manual provides detailed information on Purchase Order types, property classifications, budget object codes and the process of initiating and monitoring the purchase of assets.

8.0 VISA CARD

1. When the Integrated Acquisition System (IAS) is implemented in April 2006, warranted contracting officers will purchase property items using the VISA. The cardholder will be responsible for reconciling the VISA statements. Vendor immediately paid under new system so no accounts payable to reconcile against.
2. The receiving office will forward a copy of the purchase documentation, and the invoice to the Minneapolis Property Team upon receipt of the property.

9.0 ACQUISITION OF MOTOR VEHICLES

1. Vehicles being replaced, must meet the established replacement criteria referenced in the Motor Vehicle Manual.

2. If a vehicle meets these criteria, it may be replaced by preparing a form AD-700, Purchase Requisition and processing it as follows:

   a. Vehicle orders are entered manually. Most vehicles have an acquisition cost under $25,000, so they are not capital assets.
   b. The requestor submits an AD700 to property, a skeletal record is created (manual folder made up, AD700 stamped for date of receipt, agency order number assigned and logged into book)
   c. The order is placed electronically via AutoChoice. Once the order is placed, GSA generates an Order Acknowledgement and sends it to property via email. The property vehicle coordinator sends this to the requesting office for review and proof that order has been placed.
   d. The vehicle coordinator assigns a DRN document number, notes it on the AD700, and provides a copy of the AD700 to the payments team so the funds can be obligated.
   e. License plates are sent to the requesting office with form AD999. This form is filled out when the vehicle is received to verify receipt and record the VIN number of the vehicle along with other information required for input into the property system. When Property receives the AD999 that is the notification that the vehicle has been delivered. The AD999 is used as documentation to add the vehicle to the accountable officers inventory.

10.0 ACQUISITION OF AIRCRAFT

1. Aircraft must be acquired and managed in accordance with Federal Management Regulations 41 CFR Part 101-37 Government Aviation Administration and Coordination and USDA regulation number 5400-004, Aircraft Management. For information concerning the use, acquisition, maintenance and control of aircraft, contact the APHIS aircraft management analyst and consult these documents.

RECEIVING AND IDENTIFICATION

1.0 PURPOSE

1. At the time of receiving and identification, APHIS becomes liable and accountable for all acquired property. The receiving process is the point in the life cycle of property where accountability is determined and property records are established.

2. All property received at an APHIS site must be inspected for discrepancies, identified and tagged according to the property category and type. Upon receipt, property is verified and the process of recording it in the official property system is continued. This procedure defines the receiving, identification and tagging process at all sites. (For definitions of terms, acronyms, property responsibilities and lists of forms and reports used in the APHIS Property System, see procedure 1, Property Management.)

2.0 GUIDELINES

1. Receiving is defined as the process whereby an authorized APHIS employee receives personal property acquired by purchase, transfer, donation, etc. Once an authorized representative has signed for the property and it is documented in the property system it is accountable to, and the responsibility of the receiving organization.

2. Identification is the physical marking of property, or in some cases its container, by which one or more of the following may be ascertained: ownership, classification, part, serial, model, description, contract or unique organization designation. APHIS currently does not tag its property with a unique number but uses the description and serial number for identification purposes.

3. Tagging is defined as the physical placement of a barcode or other type of tag on an asset that identifies it as an asset owned or being leased by APHIS. The placement of a barcode or other tag provides a unique marking or number that distinguishes the tagged asset from all others in the property system. Barcode tagging is optional for APHIS organizations and property control is conducted using description, manufacturer, model and serial number on the local level.

4. The identification of an asset during the receiving process ensures that the property record is accurate and complete to assist in management of the asset throughout its life cycle.

5. Property tags with a serial number for controlled property or sensitive property are obtained from the BC/MPRP. POs can obtain decals with the USDA logo through the BC/MRP.

3.0 RECEIVING AND INSPECTION OF PROPERTY

Identification

1. Property is received in accordance with established government and agency procedures.

2. As part of the acquisition process, the Property Team or PO identifies the property through review of the purchase order or an established skeleton record in the property system.

4.0 RECEIPT

1. Upon receipt of property at headquarters, a regional office or area office, the local property officer reviews the purchase order (PO) and visually inspects the incoming shipment to ensure the receiving documents (government bill of lading, freight bill, and packing lists) match the item quantities and descriptions on the PO, and that the property meets the identified requirements.

2. The PO inspects the received assets for overage, shortage, or discrepancies (OSD). If discrepancies are found, the PO requests the signature of the carrier's agent on the receiving document and notes the identified problems. OSD is documented and reported in accordance with CFR 101 40-7. The PO or Receiving Team should document OSD using a digital camera if possible. (For further information concerning reporting OSD, see USDA Purchasing Manual.)

3. All receipts valued at $5000 or more are reported to the NFC, using form 838B, Invoice Receipt Certification. Once an authorized APHIS representative has accepted the property, the owning organization is accountable for the property.

4. The PO reviews the Purchase Order (PO) to determine the type of property received, e.g., controlled – non-controlled, sensitive and to ensure the PO includes the following information:

   Asset description
   a. Manufacturer
   b. Model (if supplied)
   c. Serial number

d. Date received
e. Acquisition value
f. APO identification number, name and telephone number

5. The PO ensures that the property listed on the PO has the correct BOC. If the codes are not correct, the PO notes the correct codes and the final destination of the received property on the PO. After the property identification and tagging information is noted on the PO, it is returned to the BC/MPRP.

6. For items that are transferred or donated to APHIS, the PO creates a DPO in the property system to record and track these items until they are added.

7. If the items received match the quantities and property description on the PO, the PO accepts the shipment and notifies the owning organization of its receipt. In the case of drop shipments and multiple destination shipments, the receiving organization is responsible to provide a copy of the Purchase Order or receiving document to the cognizant PO to ensure that the receipt of the property is documented.

8. The receiving PO is responsible for reporting the receipt to the BC/MPRP via e-mail and copying the RPM (Eastern Region) or (Western Region) with the following information.

   a. Purchase Order Number
   b. PO Inventory Number
   c. Barcode Number
   d. Description
   e. Manufacturer
   f. Model
   g. Serial Number

9. Once the property is received and the receiving document is signed, the acquiring organization is responsible and accountable for all received property. The PO or receiving team is responsible to:

   a. Provide adequate safeguarding for all property in the receiving area.
   b. Exercise physical security of all property in receipt.
   c. Ensure received property is assigned to the correct organization.
   d. Notify the owning organization of the receipt.
   e. Prevent theft and misappropriation.
   f. Provide adequate storage and protection to property that is not immediately issued to the owning organization.

Issuing from Receipt

10. APHIS is accountable for all purchased and leased property once an authorized representative signs for it. The receiver must exercise physical security of property within the receiving area to protect all property received; ensure that it is assigned to the correct organization and to prevent theft and misappropriation. If property cannot be issued immediately, it must be secured to ensure that it is not lost, stolen or damaged. The PO is responsible for establishing security in his/her area and determining who is authorized to enter the area.

11. Expensive equipment, sensitive items and those items particularly susceptible to theft are stored in a locked area with limited access. The PO will limit access to the high security area to strictly authorized staff. Authorized persons entering and departing the secure area will sign a logbook entering the arrival and departure time.

12. Temporary receiving areas are not used for storing received assets for more than 7 days. If circumstances prevent the requestor from receiving an asset within that period, it will be stored in accordance with the property control and storage section of this Manual.

Discrepant Shipments

1. If discrepancies are discovered during the receipt of property, the receiver will take immediate action to rectify the problem. Discrepancies include overages, shortages, losses, damages and other disparities between the quantity and condition ordered and that received from a commercial carrier or documented on a bill of lading or other shipping documentation. The process for dealing with these discrepancies is documented in the Federal Property Management Regulations (41 CFR 101-40.7). (Also, see the damaged shipment section of USDA –APHIS Purchasing Manual.)

2. Upon receipt, the receiving organization will thoroughly check in-coming items and initiate claims or reports dealing with discrepancies, if required. The following information should be noted on the report of discrepancy:

   a. Description of property received
   b. Condition of property
   c. Date of receipt
   d. Shipper's name and address
   e. Number of cartons
   f. Carrier's name and address
   g. Freight bill numbers

h. Purchase order number
i. A photograph, if possible

3. The receiver will take a picture of the discrepant item(s) using a digital camera (If available) to document discrepant shipments. If possible, the receiver will inspect the shipment in the presence of the driver and notify the carrier of the discrepancy by noting the exception on the carrier's delivery receipt. As soon as any obvious discrepancies are noted, the checker will hold the driver until they can be researched, documented and noted in writing to the carrier.

4. If the item(s) can be matched to the receiving documents, procurement document and/or expected receipt accurately, then they are accepted. Once the property has been accepted, it will be tagged and delivered to or picked up by the requester as soon as possible to establish accountability.

5.0 IDENTIFICATION AND MARKING PROPERTY

Marking property

1. The PMO is responsible for acquiring and distributing barcode tags. All capital items, controlled items and sensitive items are identified with a barcode tag. The PMO will maintain a log of barcode tag numbers to identify what tags have been provided to each PO. Property identification and tagging standards are developed and distributed by the Director of Administrative Services Division. The PO acquires the necessary tagging supplies through the PMO.

2. The organization/employee receiving the property is also responsible for tagging all personal property meeting the capital, controlled or sensitive asset criteria. If possible, the tag is placed on the upper right front of the property received. If the item cannot be tagged (no tag), the barcode tag number is assigned and placed in a property control book with the identifying information pertaining to the property (Description, manufacturer, model, serial number, etc.).

3. Personal property is identified and controlled using barcode tags, identification tags without a barcode, or "no tag". All personal property meeting the tagging criteria, (capital, controlled, or sensitive asset) are tagged using a barcode tag and entered into the property system.

4. Controlled property (capital items) documented in the property system are tagged with a barcode tag, or otherwise identified with a property identification number for tracking purposes and to aid inventory operations and property control. Non-controlled assets (non-capital) are not

documented in the property system and are identified with a tag noting "Property of APHIS".

5. The PO or Receiving Team inspects the items for tagging and applies the appropriate tag or marking in a location on the item that is visible for inventory purposes and is not likely to be displaced during use or movement of the asset. They ensure that the tag or marking is securely attached, is the correct tag or decal for the asset involved and is securely attached to the item.

6. Tags and marking of APHIS property is accomplished using the following guidelines:

   a. Controlled property – The appropriate color tag with a property number is applied, which corresponds with the serial number or description of the controlled property in the PMIS. An agency decal denoting ownership of the property may also be attached.
   b. Non-controlled property – A property department or agency identification decal is attached, denoting ownership.
   c. Etching a property number directly on the item may mark items that do not lend themselves to tagging, e.g., items with moving parts that may wear or destroy the tag or irregular shaped items that are difficult to tag.
   d. If the item definitely cannot be tagged (no-tag item) a property number is assigned to the item in the property system, which corresponds to the serial number or identification number of the item, but no tag is directly attached to it.
   e. Tags may be metal, Mylar, cloth, paper, or other durable material as determined by the appropriate PMO.

7. Following the identification and marking of property, the responsible PO will report the receipt of property to initiate recording of the receipts in the property system.

8. The PO or Receiving Team make a list of the assets tagged and the controlled property numbers assigned to each asset. Periodically they will check the property system to ensure the property numbers are recorded in the system and are accurate

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Reporting the Receipt of Property

9. The PMO identifies the property pending receipt by reviewing the PO in the property system. When the property is received the responsible PO reports the receipt to the PMO via e-mail. The e-mail will supply the following information:

a. Description of the property received.
b. Condition of the property.
c. Date of the receipt.
d. Name of shipping organization and address.
e. Freight bill or shipping document number.
f. PO number.
g. A photograph of the received items, if necessary.

10. When property is excessed, the PO monitors the property to ensure that all controlled property tags and ownership tags are removed when excess property is transferred, sold, destroyed or otherwise discarded.

PROPERTY RECORDS, ACCOUNTING AND REPORTING

1.0 PURPOSE

1. The establishment of property records is critical in providing and maintaining control of capital, controlled, and sensitive assets. Records are also maintained for property that is leased, or rented. Material and non-controlled property is recorded, but not controlled in the property system. These controls are required for integrity, accuracy and timeliness of the official records.

2. APHIS organizations are required to maintain accurate records of all controlled property and property assigned to individual employees. These records must be updated whenever the status of controlled property is altered as a result of a transaction or physical action affecting the property. APHIS organizations are also required to initiate or receive reports reflecting the current status of property or changes in property status. This document provides the basic policy for establishing records and generating reports.

2.0 GUIDELINES

1. Definitions, acronyms, references, forms and reports are discussed in Procedure 1 Property Management.

2. Property records are created for all property, including a single record for bulk and depreciable property.

3. The maintenance of property records and administration of the property system is the responsibility of the BC/MPRP. The BC/MPRP may delegate responsibility to edit/update and maintain selected elements of data to the PO to facilitate the effective, efficient management of assets.

4. A property record in the property system contains a unique identifier (barcode number); descriptive information (category, manufacturer, model, serial number, etc.); stewardship information (organization, property custodian, and user); and location information. If property is inactive, but will be required in the future, it must be stored in a manner to ensure that it is protected from damage, loss, theft or deterioration.

5. Property in storage must also be recorded and records maintained to ensure that it is available and accessible when it is required. Property with an established shelf life must be monitored while in storage to ensure it is issued for use prior to expiration of the established shelf life. If property is assigned to an individual employee for their exclusive personal use, this

action must be recorded to ensure that the responsible employee is accountable for the property.

6. APHIS personnel will ensure that property under their jurisdiction is properly recorded and transactions updated in accordance with established agency and governmental property requirements.

Property Records

7. All records of controlled property are maintained in the property system and are established when the asset is acquired and received from data supplied by the purchase order, receiving document and receiving organization and provided to the PO and BC/MPRP.

8. During the requisition of assets, the procurement organization classifies all property being procured, and initiates the property record by property description and classification, which identifies data elements that must be compiled. The BC/MPRP verifies the property description, classification, and account codes and annotates the source documentation.

9. The Property Team inputs all property transactions using the contract or purchase order as the authorizing document. The BC/MPRP receives notification of all purchases, donations, loans, transfers, of acquired assets and documentation of repair and fabrication of existing property and ensures this data is recorded in the property system.

10. Upon receipt of property, the receiving organization or responsible PO provides the serial number, model number, property tag number, and location of the received property to the BC/MPRP via e-mail. This action ensures the property record is updated and accurate.

11. Upon payment of the invoice for procured property, Accounts Payable enters the total cost of the property into the property system, in accordance with accounting guidelines and provides the BC/MPRP with the final and complete cost of the property.

12. The Property Team, under the direction of POs, is responsible for the creation, updating and closeout of a property records throughout the life cycle of property management. This procedure may refer to actions in other procedures and is not intended to duplicate those directions, but to ensure that recording, asset accounting, and reporting is directed as a continuous activity that is essential to effective property management.

13. The BC/MPRP maintains the official records system in accordance with this manual. The system is designed to identify, account for and control property. The BC/MPRP also:

a. Monitors all property data and ensures it is updated as appropriate.

b. Identifies issues during the request, order, receipt, tag, and identification of property to ensure complete records.

c. Ensures records are updated through transfer, moves, maintenance, disposition, and retirement of property.

d. Ensures proper accounting coding (BOC).

14. If controlled or sensitive property is transferred or assigned to an employee, e.g., cameras, laptop computers, the responsible PO will initiate a Form AD-106, Personal Custody Property Receipt to transfer accountability.

15. The responsible PO also maintains records of non-controlled property. These records are not maintained in the property system, and must be available for inspection, e.g., material issue records.

16. The transferring PO will document all controlled property transfers between agencies or responsible POs on a form AD-107, Report of Transfer. The receiving PO is responsible to ensure that the transfer is documented in the property system by providing a copy of the form to the BC/MPRP. This form is also used to document the loan or trade-in of office machines, vehicles, etc.

17. The NFC sends a Personal Property Physical Inventory Report (PROP 32) to the appropriate PO at the end of each quarter. The PO reviews the report and ensures it is accurate. The PO reports any inventory discrepancies to the BC/MPRP. This report lists all controlled property in the PO's area and is used by the PO and BC/MPRP to conduct inventory operations.

18. The NFC also provides a Personal Property Transaction Report (PROP 303) to the POs on a weekly basis. This report lists all changes to controlled property in the responsible PO's area. The PO must review this report and ensure that all transactions were properly documented and accurate.

3.0 CAPITAL AND DEPRECIATION NUMBERING

1. The BC/MPRP coordinates with the appropriate Financial Officer (FO) to ensure all information concerning acquired assets is accurate. The FO establishes the capital threshold in accordance with SAFAB 6, considering financial and operational conditions. The FO also ensures the threshold is consistently followed and disclosed in financial reports.

2. The FO establishes guidelines for capital leases and leasehold improvements, and establishes guidelines that identify non-controlled items for exclusion from property requirements.

3. The FO ensures that reporting includes asset condition; (SAFAB 6, note 12), changes in amount and service potential of property, plant and equipment; cost of PPE, and spending for acquisition for PPE vs. non-capital spending.

4. The FO provides tools to record assets at cost, including all costs incurred to ensure the property is suitable and in the proper location for its intended purpose. Costs could include: transportation costs, handling and storage costs, labor, engineering costs, preparation costs, etc.

5. The FO captures costs of internally generated software if its cost is intended to be primarily recovered through charges to users.

6. The FO also captures donation costs at an estimated fair value at the time acquired.

7. The FO documents property when the title passes to another organization or when it is delivered. If the property is fabricated, records such as construction are recoded as work in process until the asset is placed in service.

8. The BC/MPRP assists FO with identification of depreciable assets and accurate values. To facilitate reconciliation of the asset system and the financial system, the BC/MPRP In cooperation with the FO reconciles the General Ledger and Property System, including verification of depreciation.

9. The FO calculates depreciation using the standard assets classifications and established life assignments in accordance with financial guidelines.

10. The BC/MPRP coordinates with other organizations to classify assets from construction in process, if any per project results and monitors the project close to place property into the permanent asset classifications.

11. The FO captures costs that extend the useful life of an asset or enlarge/improve its capacity for capitalization.

12. The FO also updates inventory reconciliation and adjustments and coordinates with all departments that have input requirements and monitors and controls record data changes, including adjustments resulting from inventories.

13. If unrecorded property is found during inventories, the BC/MPRP immediately establishes a record. The BC/MPRP further investigates property for property recording and disposition as required.

14. Reports of Survey may be completed after investigation and the second inventory; adjustments are made to retire the record. Applicable reporting to the PPD is required.

4.0 PROPERTY RECORD CONTROL AND UPDATING

1. During the useful life of the asset, the PO will update records with location, user, status and condition.

2. The BC/MPRP establishes control processes that will require record updating. Updates must be executed when:

   a. Inventory is complete, to update the inventory date, any corrected data, and any appropriate adjustments
   b. Utilization of the property changes
   c. Property is loaned (in or out of the ED property system)
   d. Property moves into storage
   e. Property is disposed or retired; the FO calculates net gain or loss and posts to appropriate accounts.

3. The PO updates the records when changes occur to utilization, excess status, movement (both initiation and acceptance), transfers (both initiation and acceptance if within ED),

5.0 PROPERTY ACCOUNTING

1. The BC/MPRP implements the asset accounting guidelines as described in this section.

2. The BC/MPRP monitors and applies capital classifications and asset cost account codes during budgeting, project management, and purchasing. This control through capital classifications and cost account codes provides accuracy through transactions and postings throughout the accounting system.

3. After receipt and during capitalization of the assets, the BC/MPRP applies and enforces the capital threshold.

Depreciation

4. Depreciation indicates that tangible assets have declined in service potential and value and allocates the cost of capital assets over their estimated economic life.

5. The depreciation period of an asset begins when it is placed in service. The depreciation ends when the asset is retired from service, its cost is fully recovered, or it is sold or disposed of, whichever occurs first. The equipment must be in use or in a state of readiness for use to be depreciated. An asset is "placed in service" when it is in a condition or state of readiness and availability for a specifically defined function.

6. The BC/MPRP ensures that assets are depreciated for financial purposes using the straight-line method and that the total amount depreciated never exceeds the acquired cost. The depreciation convention used for tax accounting convention is half-year convention for financial accounting.

Transfers and Adjustments

7. When items are declared fully depreciated, they are retained on the records until officially retired at disposal.

8. When a capital item is disposed of, the remaining book value is netted with any proceeds from the sale, and any gain or loss resulting from disposition is recorded.

9. The BC/MPRP will monitor the recommended life of property against actual use on a periodic basis.

Cost Recognition and Values

10. Ancillary costs associated with preparing the asset for its intended use should be capitalized. Some ancillary costs that may be incurred are included in individual asset definitions. Total assets reported in financial statements should reconcile with balances in the financial system and in the appropriate general ledger accounts.

11. In some instances, the cost of the asset may not be available and some alternative basis must be used to record the capital asset. For example, Accounting may not have documented the original cost of asset, and it may be impossible or time-consuming to reconstruct the actual cost of the asset. Under this consideration, the original cost of the asset may be appraised or cost estimated and used as the basis for capitalization. Costing techniques include standard costing and normal costing.

12. The BC/MPRP applies purchase costs for asset classifications including the following:

    a. Machinery and equipment costs include:

    - The original invoice cost
    - Freight, sales taxes and storage charges
    - Cost for installation, testing and preparation for use (i.e., adding auxiliary equipment to a vehicle, installation and testing of radios, antennas and other communication devices, painting and application of logos, signage)
    - Excluded is the trade in allowance.

    b. Improvements or expenses for improvements for depreciation are distinguished from expenses as follows. Recorded costs for capital improvements should be identified to the original asset. It can be recorded as a child to the parent item with independent life. Other improvements include:

    - Expenses: adjustments and replacement of parts which do not extend service life or otherwise increase productivity, capacity or efficiency over that of the asset when originally purchased. Repairs and maintenance keep an asset in its customary state of operating efficiency without added future benefits.
    - Capital improvement: additions, improvements, replacements of plant and equipment with an estimated useful life of more than one year and an individual unit cost of over $2,500.

13. The BC/MPRP records asset value depending upon the acquisition method. The five main cost categories are as follows:

    a. Purchased Assets: The value of the assets includes the purchase price, transportation costs, installation costs, value received from a trade-in, and any other direct expenses incurred in obtaining the asset as identified above.

    b. Donated Assets: The value recorded for a donated asset is the market value of the asset when it is given plus transportation and installation cost. To determine the market value of the asset, the PMO may use the appraisal price, the selling price to educational institutions of an equivalent item.

c. Leased Assets: These are assets purchased under a capital lease. A record must be created under a capital lease when the asset is placed in use. Capital leases are recorded in accordance with FASB 13. Items acquired with an operating lease are not considered capital assets. The expense is considered rent.

d. Fabricated Equipment: The cost of a fabricated item is determined by the total cost associated with the construction, including material, labor, services, and overhead costs, as applicable.
e. .
f. When the original asset cost is not available, the fair market value may be used as the basis for capitalization.

6.0 REPORTING

1. Reporting data from property records follows the life cycle of property management. Therefore, this procedure may briefly describe activities in other procedures, but is not intended to duplicate those directions, except to ensure that reporting is directed as a continuous activity that is crucial to property management. (See reporting requirements in each procedure.)

2. The BC/MPRP will provide the following reports from the Property Management System and monitor the following forms that provide input to the system.

   a. Utilization Reports
   b. SF 120 Report of Excess Personal Property
   c. Movement and Transfer Exception Reports (movement or transfer not complete, executed by organizations that do not own the property etc.)
   d. Property Transfer Forms
   e. Property in storage over 120 days
   f. Maintenance reports as required
   g. Lists of contractors with government property, with
   h. Disposition reports

3. The following recurring schedule reports are prepared by the PMO or other APHIS organizations:

   a. Quarterly -- Financial Disclosure Statement in accordance with Financial Statements Guide
   b. Annually -- Consolidated reconciliation of all personal property
   c. Annually – Report of Disposals to GSA
   d. Utilization of Personal Property
   e. Report of Motor Vehicle Data
   f. Property Furnished to Non-Federal Agencies

g. Inventory of Accountable and Capital Property
h. Government-owned Property Held by Contractors
i. Government property loaned to Grantees
j. Loan of Personal Property

UTILIZATION, MAINTENANCE AND STORAGE

1.0 PURPOSE

1. Property in the possession of APHIS must be used only for the established purposes for which it was acquired. There must be a justifiable need and mission requirement for all property retained, stored or used by APHIS employees. Property must also be maintained and stored to ensure that it is adequately protected and preserved in a usable condition. This procedure provides instruction for using, storing and maintaining APHIS property.

2.0 GUIDELINES

1. For definitions, acronyms, references, etc., see Procedure 1, Property Management.

2. Property under the control of APHIS must be used efficiently and effectively. Property that is not used over a specific period of time or assets for which retention cannot be justified by potential future need or reasonable replacement costs must be excessed.

3. APHIS will maintain an effective utilization program to ensure that all property retained by the agency is used to its maximum potential. This program will include provisions for pooling of under used assets and periodic utilization surveys to provide information concerning specific property utilization.

4. APHIS will also develop and maintain adequate programs to efficiently initiate, control, perform and document property maintenance functions. Maintenance functions include preventive maintenance to minimize excessive wear and repair costs and repair and rehabilitation systems to avoid the need for excessive procurement of costly equipment.

3.0 UTILIZATION

1. Rather than procure new property, it is the policy of APHIS to use property to its maximum potential and to repair, rehabilitate and redistribute property that is excess to organizational needs.

2. It is the responsibility of the BC/MPRP and PO to ensure the full use of property through the practice of utilization surveys and instructing employees in utilization methods and techniques.

3. During the initiation of new projects, inventories, and normal operations, the PO will periodically conduct utilization studies by:

   a. Identifying areas with expensive and unique equipment.
   b. Providing affected employees with a questionnaire concerning the use of specific items of equipment.
   c. Determining the how many hours targeted equipment is used compared to the hours it is available for use.
   d. Identifying employees and organizations using the equipment.
   e. Calculating the hours equipment used on each specific project.
   f. Reviewing the location and owning organization of equipment.

4. Using utilization surveys, inventories, and inspections, the PO develops a list of items that are underutilized.

5. The PO will identify property that lends itself to equipment pools and establish these pools to increase the effective use of the equipment. When considering property for an equipment pool, the following issues must be considered:

   a. The time each asset is idle and available to an organization other than the owning organization.
   b. The hours the item is used by the owning organization.
   c. The frequency the asset is used.
   d. The location of the asset or the pool where it will be used.
   e. The asset must be expensive to justify pooling.

6. If the PO considers an equipment pool practical or economical, he/she will conduct surveys to determine suitable pools. Each pool may establish its own standards. Items selected for use in a pool must meet the following criteria:

   a. Equipment must be suitable for multiple uses.
   b. Equipment in the pool must have low utilization and capable of supporting more use.
   c. Items must be easily portable.
   d. Items must be of sufficient value to justify increased use and control, e.g., Lab equipment, business machines and photographic equipment.

7. When suitable pool equipment and areas are identified, the PO establishes an equipment pool by coordinating with the affected organizations. The pool may consist of equipment held in a common area or a list of equipment available for pooling, but held by diverse organizations. The PO will monitor

the operation of equipment pools to ensure property use is appropriate and the movement of equipment in and out of the pool is controlled.

8. The PO identifies excess property and initiates disposal processes to minimize property inventory (see Procedure 8, Disposition and Retirement).

9. The PO and users must ensure that assets under their control are needed, used for the purpose intended, remain in service, perform the intended functions effectively in conjunction with related items and are operating properly. Property status is reviewed consistently, at minimum during the annual/biennial inventory process.

10. The PO is responsible for the assignment of personal property to individual users, ensuring that inventory property records are accurate and documenting the offsite use of equipment through property passes and offsite-use authorization.

4.0 MAINTENANCE

1. APHIS uses equipment to support its goals and objectives. Maintaining those assets is critical to their effectiveness. The PO ensures the maintenance program includes provisions for the repair, rehabilitation and reconditioning of property to meet program and organization requirements.

2. Standard office equipment is often leased and maintenance is included as part of the lease agreement. The lease number and terms of the lease are included in the property system to assist owning organizations in obtaining required maintenance on leased equipment.

3. The BC/MPRP will review the property system for data fields for vendor data; warranty beginning and ending; maintenance contract information, if applicable; and lease information; supporting the APHIS maintenance program. The BC/MPRP is responsible to ensure that these fields are completed and accurate when the property record is created.

4. The PO is responsible for ensuring that property is maintained in a serviceable condition to meet APHIS objectives. The PO is also responsible for the following:

   a. Ensuring that repair, renovation or rehabilitation is accomplished, as necessary

   b. Conducting condition assessments as part of walkthroughs and physical inventories as part of a maintenance program

c. Developing justification statements to attach to Form AD 700, Request for Purchase of Supplies and Equipment If replacement is warranted and within APHIS replacement standards,

5. Employees are responsible to perform daily housekeeping to ensure their area and all equipment is clean, safe and orderly.

6. Preventive maintenance is the first level of care for equipment and machines. The responsible PO establishes PM schedules and the actual PM is performed by the responsible employee(s).

7. The owning organization is responsible to obtain and maintain the necessary technical manuals to perform PM. The PO ensures that a PM schedule is developed for machines and equipment in his/her area and that PM is performed in accordance with established requirements. PM is documented on a local checklist or APHIS Form 44 – Machine Maintenance record. The owning organization is also responsible to ensure that equipment requiring calibration is standardized according to the established schedule, by coordinating with the manager of the calibration organization.

8. Most APHIS locations have limited maintenance capabilities, so the PO must ensure that equipment is either under a maintenance contract or that maintenance and repair services are available locally to ensure equipment is operating properly. If the equipment requires repair or maintenance beyond the capabilities of the owning organization, the affected supervisor will request the PO to contact the manufacturer for service/information. In general, if the total repair cost of an asset reaches 65% of its acquisition cost disposition and replacement is warranted.

9. The PO will ensure that periodic inspection of equipment is performed to determine if it is in proper operating condition and identify any equipment that requires replacement.

10. Preventive maintenance of vehicles is accomplished in accordance with APHIS Manual 5400, Motor Vehicle Fleet Management Program.

5.0 REHABILITATION AND REPAIR OF OFFICE FURNISHING

1. Employees and the PO must determine if it is feasible to repair office furnishing or if it is more cost effective to replace them. (For information on making this determination sees APHIS Directive 210.5, Replacement Standards).

2. If office furnishings are rehabilitated, the PO will contact the BC/MPRP who will coordinate with the GSA to determine how to proceed with rehabilitation.

6.0 PROPERTY STORAGE

1. Storage is the accumulation of property, in a designated area. APHIS property not currently required is identified and placed in storage. APHIS local storage locations will be secure and climatically controlled based on the requirements of the property being stored.

2. Property must be safeguarded from theft, damage, or deterioration at all times, but especially if it is to be stored for extended periods.

3. Items stored outside must be protected from the elements and stored in areas clearly marked that the property stored there belongs to the U. S. government.

4. Access to storage areas is restricted to authorized personnel only. All safety and fire protection regulations must be followed in storage facilities and when handling flammable material.

5. The appropriate PO is responsible to develop and provide guidelines to employees for securing and controlling property in storage, accessing storage areas and maintaining control over keys and locks assigned to the storage areas. The BC/MPRP will review the local storage programs to ensure they comply with established requirements.

6. Items that have a shelf life or an expiration date must be monitored while in storage to ensure that they are used prior to expiration. The responsible PO will review the inventory of these items on a periodic basis and inform the users of pending expiration to ensure large quantities of time sensitive items do not pass the usable date.

7. All APHIS organizations will maintain temporary secure areas for receiving capital and accountable property and furniture awaiting pickup or delivery to requesters. Receiving storage areas are under the control of the BC/MPRP and serve to support the receiving process. Property will not be stored for more than five working days in the receiving area before being issued to the requesting user. See the Receiving, Tagging and Identification section of this manual for specific procedures related to the receiving, identification and tagging process.

8. All capital, accountable and sensitive property maintained in storage for 30 days or more will be placed in a central storage location. Local organizations are authorized to store assets in their areas for future use for up to 60 days without submitting a justification. If items are not retrieved from storage within 60 days and no requirement is identified, the PO will report the item(s) as excess to the BC/MPRP and request transfer.

9. The BC/MPRP is responsible to ensure areas where property is stored provide for the following:

   a. Protect property from loss, damage and destruction.
   b. Provide a holding area for property received, but not assigned.
   c. Provide availability of common items, when required.
   d. Make sure storage is used only when the cost of retaining property justifies retention.
   e. Requires all storage of property is justified by the organization requesting storage.
   f. A locator record is maintained to document the storage and asset location in the storage area. In larger storage areas, the BC/MPRP may implement an automated inventory system.
   g. An annual justification review, conduced by the PO responsible for the property.

10. Sensitive items (firearms, radios and laptop computers) requiring additional security will be maintained in approved safes or other secure areas with limited access.

Placing Property in Storage

11. The PO them submits a request for storage or other applicable form, e.g., AD 107, Report of transfer with a full justification for storage to the BC/MPRP. Storage approved by the PO is authorized for up to one year, renewable with annual justification.

12. Property is placed in storage as follows:

   a. The user prepares a storage request form or AD-107 and submits it to the PO.
   b. The PO receives the form, reviews the justification for retention and determines if there is adequate space to store the asset(s).
   c. If the justification warrants retention and sufficient storage is available, the PO arranges for pickup and transport of the asset(s) to storage.
   d. The PO completes a property transfer form, or AD-107 Transfer to document the storage of the property.

13. The PO will manage the storage program by performing the following:

a. Ensures that the owner/user of the property has conducted a thorough review of future requirements for it and that the justification for retention is warranted.
b. Ensures the current data in the property system is correct. Prior to storing the asset, verifies the barcode #, descriptive information, serial number and condition of the property.
c. Ensures that assets sent to storage or maintained and preserved are functional at the end of the storage period. Unserviceable assets will not be stored without specific authorization from the Program Manager
d. Completes and forwards an AD-107 or other applicable form for property entering and leaving storage to the BC/MPRP
e. Coordinates the configuration and layout of the storage area and required storage aids and equipment.
f. Manages the storage area and all of the services associated with storage of APHIS assets
g. Maintains accountability for all APHIS property stored during the period of storage.
h. Updates the property system with the status "Storage," indicating that the asset is in storage with authorized justification.
i. Arranges for a secure location to protect government property from corrosion, damage, and theft.
j. Authorizes the placement of Government property in storage.
k. Authorizes the removal of Government property from storage.
l. Ensures safety and security in the storage area.
m. Limits access to storage areas to staff members authorized by the PO.

MOVEMENT, TRANSFERS AND LOANS

1.0 PURPOSE

1. This procedure describes the methods and systems for property movement, transfers, and loans. Property records as described in this Manual (see the section on property records, accounting and reporting) are essential for property control. All important property transactions that occur between the acquisition and disposal of an asset are recorded and comprise property control. This procedure describes how the movement, transfer and loan of property is accomplished and recorded.

2.0 GUIDELINES

1. For a list and explanation of definitions, acronyms and references used in this procedure, see Procedure 1, Property Management.

2. The purpose of property control is to protect Government property while in the control of an agency and ensure that property ownership is established and maintained. APHIS is responsible to protect and control all property it acquires or leases. The movement, transfer or loan of property between APHIS organizations is necessary to ensure full utilization of property. However, this movement, transfer or loan of property must be adequately documented to effectively control and protect property under the jurisdiction of APHIS.

Movement and Transfers

1. Movement of assets is accomplished in several different ways. Because property control includes the assignment of assets to POs and using organizations and the physical location of the assets, documentation of property movement must take into consideration location and accountability. For effective property control, the property system must have accurate data concerning both property accountability and location. One test of the adequacy of property records is to determine if an audit trail exists that provides documentation concerning what organizations/individuals controlled the property during the entire movement or transfer process. This information is critical if the asset becomes lost or damaged.

2. Property movement is defined as physical change of property location without transfer of accountability: Transfers are accomplished when there is a transfer of property accountability regardless if the property is physically moved.

3. Property movement is not tracked in the property system when an asset is issued directly to an employee for use at home or during travel. In these cases the property is controlled using an AD–873 Property Pass. Use of the property pass and issuing property to an employee is described in another section of this procedure. The property system database is not changed to reflect temporary property physical location.

Property Movement within the Jurisdiction of a Single PO

4. If property is moved from one physical location to another while under the control of the same PO, and the moving organization can move the asset internally without support, the responsible PO updates the database with the new location. In PROP these updates are made using the Acquisition/Modify screen (AC12), Modify Property Master.

Property Transfers Between Government Agencies

5. The process for transferring property between government agencies during excess screening or interagency loans is accomplished by the following actions:

   a. The BC/MPRP supports the reutilization program by publishing instructions to all POs describing how to screen and excess property.
   b. Employees identify excess property to the PO; The PO first attempts to reutilize the property within the local regional, program or support office.
   c. If the PO identifies that an asset is excess to his/her office requirements and there is no future requirement for the asset by the office/program, excess action is taken.
   d. If on-line screening is not available, the PO will complete Form AD-109, Report of/Request for Excess Serviceable Property and forward it via e-mail to the BC/MPRP. This action identifies the property as excess to the PO and owning organization.
   e. If on-line access is available, the PO updates the property system by changing the status to "EXCESS" if no future requirement is expected for the asset.
   f. If the asset is not needed in the near term, but a future requirement may exist, the status may be changed to "STANDBY" and the property made available for a short-term loan.
   g. POs requiring assets review the quarterly PROP Report 305A for excess assets by category and identify excess property that fit their needs.
   h. The receiving PO initiates a transfer of the property and updates the property record following the process described in the section below.

6. GSA is responsible to facilitate the transfer of property between Federal agencies. Once the Property Team has completed screening within the MRP agencies, it determines what property transfers are required and initiates the required actions.

7. APHIS property excess to the needs of a program or organization is screened internally within MRP agencies for no longer than 120 days to attempt to find another organization that needs the property. The internal reutilization program is managed by the BC/MPRP.

Transfers between different POs/Organizations within APHIS

8. An internal transfer is accomplished when property accountability and responsibility is transferred from one APHIS organization or program to another. This action is considered a property transfer because accountability and responsibility is transferred from one PO account to another even if the asset does not physically move. Transfers between POs are made following the same basic process as transfers between government agencies.

9. Based on review of the property database, the receiving organization PO identifies an available property item and contacts the owning PO via e-mail and attaches a form AD-109, Report of/Request for Excess Serviceable Property. When the involved POs agree on a transfer the following actions are taken:

   a. The transferring PO notifies the receiving PO via e-mail of the transfer and provides a Form AD-107, Report of Transfer electronically with an information copy to the supporting BC/MPRP. The receiving PO will accept the transfer by responding to the e-mail but does not complete the receipt (right side of the AD-107.)
   b. If necessary, the transferring PO will arrange shipment and provide shipping information to the receiving PO. The transferring PO retains accountability until the receiving PO receives the property.
   c. When the receiving PO receives the property, he/she will reply to all addressees (including the BC/MPRP) accepting the property item(s) on the right side of the Form AD-107. The receiving PO forwards the completed Form AD-107 via e-mail to the transferring PO and the applicable Property Team Member. This action confirms that the receiving PO accepts the property.
   d. The applicable Property Team Member updates the record in property system using the Acquisition/Modify screen (AC12), modifies the Property Master and notifies the sending and receiving PO via e-mail. The BC/MPRP and both sending and receiving PO's print a copy of the

completed Form AD-107 to document the transfer and place it in their files. The transfer is then complete.

3.0 LOANS OF PROPERTY BETWEEN APHIS AGENICES

1. APHIS organizations often maintain backup assets to meet short-term requirements when assets in service fail. The implementation of proactive loan and reutilization programs can reduce the number of new acquisitions if programs and support offices effectively identify assets available for loan and - organizations requiring assets on a short-term basis utilize the internal Loan Program.

2. Loans are defined as the temporary use of APHIS property accountable to one organization by another organization where transfer of accountability does not occur. For property control purposes, loans are limited to cases when an organization needs property for a short time (less than a year) and the requirement can be satisfied by the use of another organization's asset(s). The key elements of a loan are as follows:

   a. Accountability for the asset does not change; the owning organization remains the same during the duration of the loan.
   b. The property may or may not change physical location in the property system.
   c. The property will be "checked-out," using the status "LOAN" in the property system database to indicate that it is owned by one office but loaned to another.
   d. A form AD-107 is used as backup documentation for loans.

3. The POs continually review assets in their organization. Users will report assets identified as available for loan on a short-term basis to the PO, or available assets may be identified during walkthroughs. Loans to between organizations are accomplished by the following process:

   a. A user identifies an asset that is currently not needed to perform a function.
   b. The responsible PO changes the status of the item in the property system to "STANDBY" indicating that it is available for loan. The dates that the asset is available are also entered in the property system.
   c. POs requiring property review all assets in "STANDBY" status and request the asset from the owning PO via e-mail and attach an AD-107-Transfer electronic form, with an information (cc :) copy to the BC/MPRP.
   d. The owning PO changes the status to "LOAN" in the property system and indicates in the PO inventory account that is in possession of the asset and the period the asset will be on loan.

4.0 PROPERTY PASSES

1. Property Passes (AD-873) are used to provide accountability for APHIS property while in the possession of an employee or contractor in travel or off-site. Property is more susceptible to theft, misappropriation or unauthorized use while checked out on a Property Pass. The accountable APHIS PO is responsible to ensure that property accountability and control is exercised and that the item is used for official purposes only while checked out on a Property Pass.

Issuing and Controlling Property Passes

1. Only POs or, representatives designated in writing by a PO, can issue Property Passes. Property Passes are issued only for short-term removal of government property from APHIS facilities. They are used to allow authorized staff members or contractors to remove property from an APHIS facility for a specified period of time during travel or for short-term tasks at an alternate location.

2. Individuals requesting property passes must submit a request to their PO indicating the specific justification for the removal of government property. The request must describe the official use of the property, a statement that it will only be used for authorized purposes, the alternate location where it will be moved, the time required and the name of requester's supervisor. If the pass is for more than 30 days, the staff member/contractor's supervisor must also endorse the request.

3. The PO completes the Property Pass in triplicate, signs it and provides the pass to the staff member/contractor. The pass is completed as follows. (See form below.)

   a. Date Issued: Date property physically is removed from an APHIS building.
   b. Name: Requesting Individual
   c. Building: Current location in the property system.
   d. Description: Barcode, category, manufacturer, model, serial number from AMS.
   e. Property belongs to: Accountable PO
   f. Department or Agency: APHIS
   g. Signature of Person Authorizing Removal of Property: Signature of PO/representative.
   h. Title: PO
   i. Pass Good Until: Date of required return.

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OPTIONAL FORM 7 NOVEMBER 1950 PRESCRIBED BY GSA FPMR (41 CFR) 101-19.108	PROPERTY PASS	1. DATE ISSUED
This pass is to be used whenever property is removed from the building. It is to be properly filled in and signed and handed to the guard when leaving the building.		
:	3. BUILDING	
4. DESCRIPTION OF PROPERTY BEING REMOVED		
5. PROPERTY BELONGS TO	6. DEPARTMENT OR AGENCY	
7. SIGNATURE OF PERSON AUTHORIZING REMOVAL OF PROPERTY	8. TITLE	
	9. PASS GOOD UNTIL	

5. ... to

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8. Once the Property Pass is issued, the staff member/contractor is responsible for safeguarding and maintaining the property on the pass. By signing the logbook, the pass holder accepts responsibility for the property.

9. If the property is required beyond the pass expiration date, the staff member/contractor returns the pass and obtains another one from the issuing PO, if available. If not, employ/contractor is responsible to contact the issuing PO by phone or e-mail and request an extension not to exceed seven days.

10. If a pass holder shows an expired pass, the responsible security officer will contact the issuing PO by phone.

11. Staff members/contractors must initiate a Report of Survey for all Government property issued on a Property Pass that is missing or stolen. The report must first be filed with the PO by phone or e-mail immediately after the loss is discovered. (See Report of Survey procedures in the Disposition section of this manual.)

Return of Property Issued on a Property Pass

12. The pass holder returns the property to the PO/representative before the expiration date. The holder presents the property for verification, or if property is not available, notifies the PO of location where the property was returned.

13. The PO confirms the property information and checks physical condition of the property, or questions the pass holder about its condition.

14. Once the identification and condition of the property is verified, the PO completes the following:

    a. Writes "Return" on the original pass, signs it and returns it to the holder
    b. Enters the date in the Returned Date block in the logbook

Property Pass Review

16. If a PO issues government property on Property Pass he/she must review the status of outstanding passes in the logbook by the first of each month. If there are expired passes that have not been extended, the PO will attempt to contact the responsible staff member/contractor by phone to request an extension or return the property immediately.

17. If the staff member/contractor cannot be reached, the PO will contact the responsible individual's supervisor and report the delinquency.

18. If PO is unable to contact the individual or the supervisor within 30 days or if the property is reported missing, damaged or destroyed, the PO submits a report to the supporting BC/MPRP, identifying the expired pass, responsible individual's name, supervisor's name, full description of the property, and the expiration date of the pass. The BC/MPRP initiates an investigation that if unresolved results in a Report of Survey. (See Disposition.)

PHYSICAL INVENTORY

1.0 PURPOSE

1. Physical inventories of controlled property are conducted on a regular basis as determined by the DPRP. APHIS inventories are performed to document the existence of all controlled property recorded in the property system and to identify assets not recorded and properly tagged.

2. Inventories also identify assets that are no longer required for APHIS business, or are unserviceable or damaged.

3. Following the completion of an inventory, discrepancies in property records noted during the inventory are reconciled. This procedure describes the guidelines for performing and reporting inventories at APHIS locations.

2.0 GUIDELINES

1. For detailed definitions of property types, acronyms, responsibilities, and references, see Procedure 1, Property Management.

2. APHIS personnel will ensure that property under their jurisdiction is properly recorded and stored, and inventories are conducted in accordance with this procedure and established agency and governmental property requirements. Prior to initiating an inventory, the responsible APHIS officers will develop an inventory plan, to ensure that all areas and property are reviewed.

3. Physical inventories at APHIS are designed to verify the accuracy of the data in the property system. The physical inventory and accompanying reconciliation verifies that the assets actually exist, the descriptive data is accurate, property is assigned to a PO and the location information is correct. The information collected during the inventory is reviewed and reconciled, followed by the appropriate Property Team Member updating the database.

4. Inventories also validate the count and categories of property on hand for reporting purposes. Completion of a physical inventory and reconciliation using metrics and quality assurance gives credibility to submitted financial reports and management reports used for internal management.

5. Inventories assist in determining the suitability and condition of the assets on hand. The inventory reveals assets in need of repair and also those that are candidates for disposition. Following the inventory, the responsible PO

will prepare the proper forms to report identified excess, lost, damaged or unserviceable property.

3.0 INVENTORY FREQUENCIES

1. The Federal Property and Administrative Services Act of 1949 (amended) requires organizations possessing government property to perform regularly scheduled physical inventories and reconciliation with property records and financial accounts. APHIS will conduct physical inventories of capital and accountable property annually until a review of the property system database indicates sufficient accuracy to warrant using alternative inventory methods.

2. The ultimate goal of the APHIS physical inventory program, is the use of cyclic inventories, conducted on a rotating basis, using the "inventory-by-exception" technique.

3. Due to the inaccuracy of the property system, controlled property will be inventoried annually for a minimum of two inventory cycles after official notification of the problem. Depending upon the results of the inventories, physical inventories may be scheduled less often, but at minimum each controlled property will be inventoried at least once every three years.

4.0 THE PHYSICAL INVENTORY PLAN

1. Prior to conducting an inventory, the BC/MPRP develops an inventory plan and has the overall responsibility for conducting the inventory. Inventories are conducted using APHIS staff under the supervision of the PO or professional contractors that specialize in the inventory of personal property.

2. The Inventory Plan must be very specific, clearly describing the goals and objectives of the specific inventory, defining responsibilities of all of the participants, and communicating to all APHIS staff members. The BC/MPRP, Property Team, Managers, POs, and Users have specific responsibilities to ensure that the physical inventory is successful. The BC/MPRP is responsible to ensure that the participants read, understand and follow the provisions of the Inventory Plan. The plan will identify the specific property types covered by the inventory.

3. The Plan must provide instructions to deal with issues such as the emergency movement of equipment, receipt or disposition of assets during the inventory that cannot be delayed, or replacement of key inventory personnel.

4. The Inventory Plan must identify reports generated as a result of the inventory, the information provided by each report and the purpose of the report. An internal or external audit may specify the reporting requirements. The inventory may target a specific problem that could be resolved through a uniquely formatted report. In general, the reports should provide compare the accuracy of the count against the database, missing assets and assets found but not documented in the database, specific discrepant trends, e.g., specific programs, PO's or area offices organizations involved, numbers and dollar value of equipment missing and discrepancies as a percentage of the entire property system database.

5. The National Property Management Association (NPMA) in conjunction with The American Society for Testing and Materials (ASTM) has developed standards for Physical Inventory. APHIS will use the standard that specifies a 98% inventory accuracy rate.

6. The inventory plan should stress the following inventory objectives: APHIS inventories are conducted to verify ownership and location of APHIS-owned and leased property, confirm that the descriptive data is correct and ensure that property is being maintained properly and is in service. Specifically, the following data for each asset is verified during the physical inventory:
   a. Barcode number (if used by local office)
   b. Description
   c. Manufacture
   d. Model number
   e. Serial number
   f. Status (assigned, excess, unserviceable)
   g. Location (building, room number) – maintained locally for property control

8. The BC/MPRP and Inventory Team are responsible to ensure that every employee or contractor in the organization is aware of the inventory. The inventory coordinator at each APHIS location will post signs on bulletin boards, send general distribution e-mails, post inventory notices of the APHIS website and use management meetings to brief senior management on the inventory objectives, schedule and expected participation.

5.0 CONDUCTING PHYSICAL INVENTORIES

1. Prior to conducting the inventory, the BC/MPRP or responsible PO may obtain an inventory list (PROP 302) from NFC. This report is used to identify property accountable to a specific area or PO. The report identifies all the property that according to the property system, is charged to a specific PO

inventory account. APHIS-wide physical inventories will be accomplished using a quarterly review process.

Property Officer Review

2. At least 30 days in advance of the inventory the Property Team will provide each PO with a report of his/her account in the property system (PROP 302). It contains the following:

   a. PROP ID Number
   b. Federal Supply Class (FSC)
   c. Document Type
   d. Document Number
   e. Line Item
   f. Serial Number
   g. Category
   h. Acquisition Cost
   i. Date Acquired
   j. Model
   k. Description
   l. Manufacturer
   m. Fund Type

Inventory Coordination

3. The BC/MPRP coordinates inventories by field offices. The BC/MPRP will assign inventory teams including team leaders for each PO area. Personnel conducting the inventory either manually locate (site) each item and verify serial numbers and descriptive data, or use barcode scanners and data collection/upload software, if assets are tagged and equipment is available.

4. If APHIS employees conduct the inventory the PO will identify specific individuals to physically conduct the count. Employees directly involved in property records or directly accountable or responsible for the property being inventoried are not involved in the actual inventory process to avoid conflict of interest.

5. If outside contractors conduct the inventory, they will use a "sweep" method reviewing all property by building and room, and inventorying all locations regardless of organization or property allocation. APHIS representatives must accompany the inventory personal to ensure all areas are inventoried and location and property responsibility information is correctly entered. If APHIS personnel conduct the inventory, the inventory will be accomplished by location assigned to each program.

6. Inventories at alternate locations, i.e., items issued for home or travel use on a form AD-106, Property Record are accomplished by inventory based on a signed form or validation of assets by actual inspection of the property by the inventory team. The PO physically inspects sensitive items, which currently are firearms, laptop computers and radios.

Inventory Responsibilities

7. Using the Inventory Plan and site maps, the Inventory Team Leader will designate specific areas for each team to inventory using the wall-to-wall method to ensure no areas are missed or duplicated. As the team completes a room, cubical or area, it is marked off on the site map.

8. After any baseline inventory is completed, the inventory personnel may place a color-coded sticker on each item counted to note that it was counted. The BC/MPRP designates the color for the specific inventory and acquires sufficient tags to tag all controlled and sensitive assets. Inventory specialists will place the sticker either next to the barcode, if used or in a prominent location on the asset when the asset is inventoried.

9. During the inventory, the BC/MPRP/inventory coordinator contacts employees to solicit their comments. If problems are discovered, they resolved immediately. If controlled assets are identified that are not properly identified, the inventory specialists will note this on the inventory list or in the barcode reader.

10. If possible, the responsible PO appoints an employee as an escort to support the inventory in their areas. All doors, cabinets or drawers that may contain assets are unlocked. Employees in inventory areas are expected to assist the inventory personnel in identifying all areas containing property so no assets are missed.

11. If a barcode inventory is conducted, team members upload their scanners into a PC database that tracks the inventory at the conclusion of the daily count. The designated inventory database manager ensures that the uploaded records are formatted correctly in compliance with the Inventory Plan.

12. The BC/MPRP holds status meetings at least weekly with the Property Team and monitors progress carefully to ensure the inventory is on schedule.

13. If an item of controlled property is identified that is not documented on the inventory list, inventory personnel will note the description and/or serial number of the item on the list or un-identified property forms included with the list and attach it to inventory list.

14. Inventory personnel will make the appropriate entries to identify any property considered lost, unserviceable, or excess to needs of the owning organization. These issues or documented on the appropriate form (see Personal Property Manual 201) and returned with the inventory list to the BC/MPRP.

15. When all property on the inventory list is accounted for and corrective actions initiated to resolve discrepancies are completed, The PO or BC/MPRP signs and dates the certification on the inventory list.

16. Inventory counts will identify assets documented in the property system, but not found, found but not documented in the property system and assets located in different locations than indicated in the database or under the control of a different organization than specified in the database. All items not "reconciled" during the inventory operations are reported to the BC/MPRP on the appropriate form for reconciliation.

6.0 RECONCILIATION, REPORTING AND RECORDS UPDATE

Reconciliation

1. The reconciliation of physical Inventories is the most important phase of the inventory process. Inventory counts will identify assets in the property records but not located, found but not recorded in the property records, and assets under the control of a different organization than that indicated in the database.
2. During the course of the inventory, corrective action provides limited reconciliation so the status of the inventory is monitored as it is conducted.
3. The recommended reconciliation process is dependent on property system capabilities. Once the reconciliation is complete, the PMO will make basic decisions on how to deal with assets not located. If after further investigation the asset is not located, the inventory record is updated with the status "UNLOCATED." This status and the date the posting was made signify that the asset was not found during the count. The PO will conduct an informal investigation to determine if there are trends. i.e., a building, program or a particular regional office has excessive losses.

4. Corrective action plans are developed to deal with the findings. If an item is not located for two successive inventories, an AD 112 Report of Unserviceable, Lost, Stolen, Damaged or Destroyed Property is completed and a determination made if a systemic problem exists or a particular program, area office, staff member or contractor is responsible for the problem. Each case must be handled individually based on the evidence. If after a second inventory, the asset is not located, the inventory record is adjusted and the result posted in the property system. Usually, inventory discrepancies reveal problems with the property management system, the process and procedures.

Reporting the Inventory

5. Once the Reconciliation is completed, the BC/MPRP will report the results of the inventory to the DPRP, and POs. The inventory report will contain statistics on items located, but not documented and documented in the database but not located, items located in different locations than indicated in the database, and those assigned incorrectly. If the objectives of the inventory included capturing the condition of the property or identifying property that was excess to the holding organization or idle, the BC/MPRP will provide separate reports of that property. Actions are taken to either repair or dispose of unserviceable assets and reutilize or excess idle property.

6. The reports are used to evaluate the system and assess APHIS procedures and the execution of these procedures so that corrective action is taken.

7. The results and reports are measured against the National Property Management Association (NPMA) ASTM Standard for Physical Inventory for accuracy.

SCREENING, DISPOSITION AND RETIREMENT

1.0 PURPOSE

1. It is APHIS policy to consider excess property as the first source of acquisition. Therefore, all property under the jurisdiction of APHIS organizations must be constantly reviewed for need and, if retention cannot be justified, the property must be categorized for disposition and disposed of in the most cost effective method. This procedure provides direction for identifying excess property and disposing of it in accordance with established federal requirements. For Information on property utilization see Procedure 5, Maintenance, Utilization and Storage.

2.0 GUIDELINES

1. For definitions, acronyms, lists of forms and reports used in this manual and property responsibilities, see procedure 1, Property Management.

2. Screening and retirement of property begins with identifying property that is excess to the requirements of the owning organization. Owning organizations will continually review property under their control to identify unneeded assets as they become excess. (See Procedure 5, Maintenance, Utilization and Storage.)

3. Reutilization/screening identifies excess and idle property no longer needed by an organization and manages the transfer of the assets to another location that has a documented requirement. An effective reutilization program depends on the availability of current information on the status of property held by APHIS organizations, accessibility of the information by a wide number of system users and training of users on how to access the information.

4. Serviceable, idle property is screened in-house prior to disposal to ensure that all APHIS organizations have access to idle property. In-house screening with other Federal agencies is accomplished by the GSA or AAMS and may be submitted to these organizations for screening electronically.

5. All disposition actions must be properly authorized and documented in the appropriate property records. All proceeds from the sale or transfer of excess items must be credited back to the proper government account.

6. All sensitive or hazardous material considered surplus must be disposed of in accordance with established government environmental or Federal regulations governing the control of such property.

7. No excess property will be dismantled, destroyed, stored, modified or otherwise disposed of without the proper approval from the appropriate APHIS or other Federal agency officer.

8. APHIS organizations will not stockpile property for possible future needs nor acquire excess property beyond demonstrable and justifiable needs.

9. To acquire excess property from other federal organizations through screening of surplus property, organizations should contact AAMS or GSA through their local PO. For more information on acquiring excess property see Procedure 2, Requirements and Acquisition

3.0 IDLE PROPERTY / LOCAL SCREENING

1. APHIS employees should constantly review the use of all APHIS controlled property to determine if the time it is used justifies its retention. Employees and POs are responsible to perform property utilization surveys to determine if property is excess to the owning organization's needs, see Procedure number 5, Maintenance, Storage and Utilization.

2. Organizations will immediately identify property no longer needed to meet current requirements. Retention of property excess to APHIS requirements may incur additional cost to lease storage space. (Refer to the maintenance and storage section). POs will perform the following activities in support of the utilization/screening program.

   a. Review property inventory lists periodically to determine property use.
   b. Conduct walkthroughs of work areas to determine if there is idle or unserviceable equipment.
   c. Once an asset is determined to be excess to its current requirement, review all requirements for assets to determine if reassignment within the organization is possible.
   d. If an asset is determined to be unserviceable or requires maintenance, the PO or representative must conduct a review to determine if repair or maintenance of the equipment is cost effective or if it should be excessed. (See Maintenance section of this Manual for guidelines on determining cost-effective maintenance.)
   e. Conduct reviews of future asset requirements to determine if retention of the asset warrants storage cost.

f. If after review of immediate and future requirements, the asset is determined to be excess to the PO inventory, the PO takes action to declare it excess.
g. Once the PO has identified the property as excess, the authorized user will change the status to "EXCESS" in the property system using the Change of Status Menu (CSMU or TR03).

3. If it is determined that property is excess to the needs of the owning organization, the responsible employee or PO will report the property as excess by initiating a form AD-109, Report/Request for Excess Serviceable Property.

4. If the excess property is not required by internal organizations, the PO reports it to the AAMS for screening with federal agencies. Property that is determined excess to the owning organization's needs must be considered for screening with internal organizations and ultimately, reported excess to the applicable federal agencies. (For more information on the disposition and disposal of GOP, see USDA Manual, Personal Property Utilization and Disposal Desk Guide).

5. The responsible PO will inspect property reported on an AD-109 to determine its condition, type, and recommend possible disposition of the property.

6. The responsible PO will also ensure that the AD-109 contains the following information:

   a. Move number of contract.
   b. Model and description of item, if available.
   c. Property condition. (For property condition codes see USDA Personal Property Utilization and Disposal Desk Guide.)

7. The PO sends three copies of the AD-109 to the BC/MPRP and retains one in a suspense file. The PO monitors the excess property to ensure it is not moved or dismantled or disposed of until he/she receives direction from the BC/MPRP concerning the disposition of the property.

4.0 DETERMINING PROPERTY DISPOSITION

1. After property is screened with APHIS organizations for reutilization, the BC/MPRP reviews the AD-109 and considers the cost of each type of disposal. After selecting the best method of disposal for the property and circumstance involved, the BC/MPRP notifies the PO of the property disposition.

2. If the disposition is for reutilization of the property, it is screened with other federal agencies. Screening is initiated when the BC/MPRP submits the property for internal and Federal Screening with the Automated Acquisition Management System (AAMS) and the GSA.

3. If the disposition requires the asset to be dismantled, modified or stored for an extended period, the PO will request approval for these actions from the BC/MPRP. Property in excess cannot be modified, dismantled, destroyed or stored without prior approval from the BC/MPRP.

4. If the PO determines the excess property is still needed, or wants to cancel the excess process, the PO will prepare a memo stating the case to cancel and send it to the BC/MPRP for approval. The PO monitors all items pending excess in the suspense file. When instructions concerning the disposition of the property are received from the BC/MPRP, the PO takes the appropriate action.

5. If after inspecting the property, the PO determines it is unserviceable, the PO will submit an AD-112, Report of Unserviceable, Lost, Stolen, Damaged or Destroyed Property to the BC/MPRP for consideration and final disposition.

5.0 EXTERNAL SCREENING OF PROPERTY

1. Screening excess property for reutilization with other federal agencies, involves the identification, reporting and transfer of excess property between federal agencies to fill current or future authorized requirements.

2. Excess assets will be available for utilization within MRP agencies for 90 days, and then they will be made available to GSA for reutilization throughout other Federal Government agencies and finally sale or donation. Excess property is screened according to the following schedule:

   a. Same programs/support office and same region.
   b. Same program office in another region.
   c. All APHIS organizations.
   d. All MRP organizations.
   e. Property considered excess to GSA for federal agency reutilization.
   f. Once property is screened by other government agencies and not required, it is considered surplus.

6.0 DISPOSAL

1. Surplus property may be disposed of in the following methods:
   a. Transfer
   b. Donation
   c. Loan
   d. Destroy or Abandon
   e. Sale
   f. Lost (investigation and possibly Board of Survey Action required)

2. If during screening, another APHIS organization requests excess property, the PO will:

   a. Prepare an AD-107, Report of Transfer of Accountability.
   b. Send a copy of the AD-107 to the receiving organization.
   c. Make shipping and packaging arrangements for transferring the property and pay shipping costs.
   d. Ship the items(s) to the receiving organization.
   e. Send a copy of the AD-107 to the BC/MPRP.
   f. Ensure the transaction is documented in the property system.

3. If a Federal Agency requests the property, the PO will:

   a. Prepare the AD -107.
   b. Send a copy to the receiving organization and the screening agency.
   c. Make shipping and packaging arrangements.
   d. Ship the property and send a copy of the AD-107 to the BC/MPRP.

4. For donations, trade-ins, or loans, the process is basically the same as for transfers. The PO receives instructions from the BC/MPRP and follows the instructions. The transfer of accountability is documented and accomplished using the form AD-107.

5. If the disposition is for destroy or abandon the property, the PO follows the instructions received from the BC/MPRP. In the case of hazardous, radioactive material or sensitive property, see USDA Personal Property Utilization and Disposal Desk Guide, or the applicable Federal Guidelines for handling hazardous materials. Destruction or abandonment is documented by initiating an AD-112, Report of Unserviceable, Lost, Stolen, Damaged or Destroyed Property.

6. If the excess property is sold through the GSA, the PO contacts the GSA administrator for shipping and sale instructions. If the property will be sold locally, the PO should follow the guidelines for conducting the sale

contained in USDA Personal Property Utilization and Disposal Desk Guide or instructions provided by the GSA.

7. For unserviceable items, the PO determines if they have any scrap or salvage value and arranges for sale of such items for scrap value.

8. Before any property is abandoned, destroyed or transferred to an external organization, the PO will ensure that all identification tags are removed from the property and that the records for the item are retired from the property system.

VEHICLE AND AIRCRAFT MANAGEMENT

1.0 PURPOSE

1. APHIS agencies control the acquisition and use of vehicles and aircraft to ensure they are acquired only when necessary and the acquisition process complies with all federal property regulations. The acquisition of vehicles by APHIS agencies must also comply with Congressional guidelines pertaining to the acquisition of vehicles by Federal agencies and mileage and age criteria outlined in the APHIS Motor Vehicles and Personal Property Manual. Government owned or leased vehicles (GOV) under APHIS control must be controlled, protected, maintained and excessed in accordance with established government standards. This document provides guidelines and references pertaining to the use, maintenance and disposal of vehicles under APHIS control.

2.0 GUIDELINES

1. Motor vehicles under APHIS accountability, whether leased or owned by the Federal Government through the Marketing and Regulatory Programs (MRP) are used only for official purposes. Personal use of GOV is prohibited, except in the case of dire emergencies. Vehicles acquired for APHIS use must meet all established fuel consumption and other standards and the applicable agency officer must approve the acquisition. (For definitions of property terms and acronyms, see procedure 1, Property Management.)

2. Aircraft is acquired and controlled according to the guidelines provided in: USDA Departmental Regulation 5400-004, Aircraft Management; USDA, MRP, APHIS Aircraft Manual, and other applicable government regulations pertaining to the acquisition and control of aircraft.

3. Aircraft and other GOV acquired by APHIS will be limited to the number necessary to meet mission requirements. APHIS organizations will not acquire any aircraft, unless they are specifically authorized in approved appropriations.

4. All APHIS agencies must perform an annual review and certify that they have a justifiable need for any government owned aircraft under their jurisdiction. A copy of this certification must be provided to the Personal Property Management Division by January 2, of each year.

5. The acquisition, maintenance, movement, transfer and disposition of all GOV must be documented on the applicable forms and all data pertaining to

each vehicle must be maintained in the property system. The using organization is responsible to periodically, inspect, and perform routine preventive maintenance on all vehicles under their jurisdiction. All maintenance activities are documented to provide a comprehensive maintenance record.

6. The responsible PO will ensure that all GOV are properly identified and marked with the appropriate decal and property identification tag, if required. The PO will also ensure that the necessary forms are initiated to document the receipt, issuance, excess, movement and transfer of vehicles.

7. All operators and occupants of GOV must use seatbelts at all times. Smoking is not allowed in GOV and it is illegal for any occupant of a GOV to be under the influence of alcohol or a controlled substance.

8. The primary and encouraged method of purchasing fuel for APHIS controlled vehicles is through the use of a fleet credit card. This card is issued by the BC/MPRP or the Local Fleet Program Coordinator and is generally obtained by the responsible PO.

3.0 ACQUIRING AND USING GOVERNMENT VEHICLES

1. All vehicles acquired for APHIS use must meet the trade-in, mileage and age criteria outlined in the Motor Vehicle and Personal Property Manual. MRP organizations obtain vehicles by initiating an AD-700, Procurement Request and submitting it to the GSA Fleet Management Center. Vehicles may also be leased through the GSA Fleet center. The decision to purchase or lease from GSA or a commercial leasing organization is made by the BC/MPRP.

2. Vehicles that are transferred from one agency to another through the excess property screening program must be documented on a form AD-107, Report of Transfer. The losing organization is responsible to initiate the form and provide a copy to the receiving organization PO along with the vehicle. Initiating the AD-107 updates the property records to reflect the new location and responsible organization.

3. Vehicles are used for government business only, the operator of any government owned or leased vehicles must have a valid drivers' license for the state, country or province where the vehicle is used. No occupant of a government owned or leased vehicle may smoke or use alcohol or a controlled substance.

4. When an employee requests the use of a vehicle, the PO will ensure that the transfer of accountability is documented on a form AD-782, Property Pass.

5. The use of government owned aircraft (GOA) to transport passengers or cargo must be justified and documented. Documentation includes written justification and approvals authorizing the use the aircraft by using agency head or designee. When justifying the use of aircraft, the authorizing officer must consider the cost of commercial airline or aircraft service to perform the service and the cost of ground travel. Unless using GOA is demonstrable cheaper than other means of travel or time constraints justify the cost of using aircraft, other transportation should be used.

6. No APHIS employee or officer may use or authorize the use of GOA for private, personal, or political business. GOA are used for official APHIS or government purposes and to conduct agency business only.

4.0 VEHICLE MAINTENANCE / ACCIDENT REPORTING

1. All vehicles under APHIS jurisdiction must be thoroughly inspected on an annual basis. Prior to operating a vehicle, the responsible employee must perform a walk-around-inspection to ensure all lights and safety devises are operating. It is also the responsibility of the operator to ensure that the all vehicle fluid levels are maintained and to report any malfunctions to the PO. GOA are maintained in accordance with established Federal Aviation Administration (FAA) guidelines.

2. Local dealers perform warranty repairs of APHIS vehicles. Government facilities or dealers with GSA contracts, unless not available, perform repair services not covered by warranty. The applicable administrative office must approve any repairs amounting to more than $2,500. The PO must review extensive repairs to determine if the value of the vehicle justifies the repairs.

3. All vehicles under the jurisdiction of APHIS must contain a form AD-651, Accident Reporting Kit. This kit is obtained through the responsible PO. If the operator of a GOV is involved in an accident, they must report the accident using the AD-651 and in accordance with the Motor Vehicles and Personal Property Manual, including contacting the BC/MPRP or GSA within twenty four hours of the accident. If negligence is suspected, the BOS will investigate the incident to determine if the responsible employee is guilty of gross negligence.

4. Accidents involving aircraft are reported and investigated in accordance with FAA regulations and guidelines.

5.0 DISPOSAL OF VEHICLES

1. Any vehicle that is excess to the owning organization's requirements or is unserviceable must be reported as excess using a form SF-120, Report of Excess Property. The responsible PO will monitor the reporting of all vehicles as excess or unserviceable. For more information on reporting vehicles excess see the disposal and disposition section of this manual or the Motor Vehicles and Personal Property Manual.

2. If a vehicle is lost, stolen, damaged or unserviceable, the employee having jurisdiction is responsible to report the status of the vehicle using a form AD-112, Report of Lost, Damaged or Destroyed Property. The PO will process the form and provide a copy to the BC/MPRP who will report the status of the vehicle to the GSA or AAMS.

3. For information on reporting GOA costs and operational data pertaining to justification for the retention or disposal of GOA, consult USDA Departmental Regulation 5400-004, Aircraft Management.

SYSTEMS AND ASSESSMENT

1.0 PURPOSE

1. Property management processes, personnel and process tools are to maintain accurate records and provide required information for proficient and compliant management of property.

2. This procedure will provide requirements and controls for the property management automated system. The system must provide a tool to support the business practices and procedures identified in the Property Management Manual and the necessary data records and reports for personnel managing property.

3. The BC/MPRP authorizes the authorized property system, currently PROP and CPAIS in the future, and ensures that it is the agency-wide automated system designed to standardize and control APHIS' property. They will assume database and data management responsibilities.

2.0 SYSTEMS CONFIGURATION / DATA INTEGRITY

1. The BC/MPRP will ensure that data is standardized and up-to-date.

2. The BC/MPRP chairs the PROP Configuration Control Board, which is the permanent technical group for maintaining system configuration. The BC/MPRP will manage the system change requests and monitor implementation of approved changes.

3. Through NFC, the BC/MPRP provides all organizations with the elements of information needed for an integrated system to identify, account for, and control personal property.

4. The BC/MPRP maintains the responsibilities and procedures required of property custodians that are found in the PROP users guide. The BC/MPRP will maintain control over user additions and changes. The BC/MPRP will ensure that the systems and users manuals for the property system and the property management manual are compatible.

3.0 OPERATION OF THE PROPERTY SYSTEM

1. The Property Team and PO use AMD to process add, change, and delete transactions for controlled property maintained in the database.

2. The BC/MPRP will provide access and training to users as required.

3. The BC/MPRP ensures each transaction has a source document that authorizes the transaction. PROP generates an Entry Reference Number for each transaction processed, and the source documents are filed by Entry Reference Number to establish a complete audit trail for each equipment item from its initial receipt, for interim changes, until deleted from the Agency's records.

4. When records are moved to inactive, they are retained in the history file for three years.

5. Data can be retrieved from the database by ad hoc queries by manufacturer and model number, item name (allowing three name combinations), tag number (equipment control number, old tag number, previous ECN, contractor tag number), field search, by certain other data elements only.

4.0 PURPOSE

1. A self-assessment program is designed to improve the property management processes and ensure compliance to regulations and procedures. The Property Management Manual is provided to document the best practices and desired methods of operation for APHIS.

2. A self-assessment program begins with a review of goals and strategies to ensure that metrics are measuring the desired outcome of the program. Goals to be accommodated include strengthening financial management since property management and fixed assets are a category of financial management, ensuring the addressing of any relevant audit deficiencies, establishing effective and efficient operations, implementing effective internal controls to protect assets from waste, fraud, and abuse, removing high risk, and making accountability for results the primary operating principle for all managers, grantees, and contractor.

3. Property Management is a key component of financial management and must do its part in meeting the goals stated above. Desired improvements to the process result only when the three key components of a business process, people, procedures and process tools, are established and monitored, with continuous improvements.

4. This procedure is designed to monitor all key indicators in Property Management along the life cycle of property from requirements and budgeting to retirement and disposal.

5. The several regulations that are applicable to and the audits that are performed against property, plant and equipment must be monitored and prepared for by the PO. Any outstanding audit deficiencies must be tracked, corrective actions designated, and follow-up must be performed.

6. Regulations and audits are associated with the following:

   a. The Federal Property and Administrative Services Act 1949, Section 205 states that the General Accounting Office shall examine property accounting systems to determine compliance with prescribed principles and standards and approved systems, and failure to comply will be reported to Congress.
   b. OMB Circular A-11, Part 3. Planning, Budgeting, and Acquisition of Capital Assets requires information on the impact of full funding of existing capital assets now funded incrementally, using the coverage described in 300.6. for the acquisition of capital assets.
   c. Federal Acquisition Regulations require the oversight and management of government property in the hands of contractors /subcontractors.
   d. Other applicable references include:

      - Title 40, Chapter 10, Subchapter II, Sec. 486
      - Title 40, Chapter 10, Subchapter II, Sec. 487, property audits
      - Title 40, Chapter 10, Subchapter II, Sec. 488, property disposal
      - FASAB 6, describing what is stated on the Balance Sheet and Statement of Net Cost, discussions of internally developed software, and outlines of useful life characteristics.
      - FASAB 3/8, describing inventory and stewardship of property
      - OCFO, Financial Statements Guidance
      - OCFO, Estimating Depreciation of Capital Assets
      - Reconciling Capital Assets to Property Management Systems / Records.
      - Management Team Goals: 2006

5.0 PRACTICES

1. The DPRP plans, establishes, directs, controls, and implements policies, standards, and procedures governing all aspects of property management.

2. The DPRP will monitor the business practices of property management. The assessment requires an understanding of each property process, an understanding of business practices, and a good working relationship with Accountable Officers (AOs), Property Officers (POs), and users.

3. The BC/MPRP will support the Property Council and other management initiatives that require property management improvements.

4. The BC/MPRP will review these elements semiannually. They may be done at any time during the year, and certain elements may be waived based on sound judgment as to the risk.

5. The long-term goal is that these measures become routine and continuously identify process areas that require attention. Metric results may be charts or verbal briefings. Periodic reviews of the data with the Assistant Secretary are required.

6. The BC/MPRP will utilize the property system to prepare for self-assessment activities.

7. Regional Offices will support and utilize self-assessment metrics to improvement regional practices.

8. The BC/MPRP will maintain a program to assess as many of the following metrics as are required to track performance to ensure compliance to regulations and improvements for management goals.

9. The BC/MPRP will establish a property management self-assessment group comprised of the Property Team and POs to contribute to the self-assessment program.

10. The following metrics will be accomplished and charted for a total quantitative measurement as seen in the Attachment. Additional activities could include unannounced walkthroughs or other checklists.

6.0 PROPERTY SYSTEM / INTERNAL CONTROLS

1. Maintain Auditor Communication.

    a. Identify and document audit issues. Monthly, assess issues for required corrective actions and accomplishments.

    b. Track issues to ensure resolution within the designated time. If issues are not resolved, notify management of required assistance.

    c. Elevate regulatory deficiencies immediately.

2. Review procedures annually as demonstrated by discussion of changes with team and identify the last review date.

3. Create lost, damaged or destroyed (LDD) log and update quarterly.

4. Maintain list of contractor's with property.

5. Pull sample of PO's and billings, and identify property, plant and equipment.

    a. Verify the authority for the purchases.

    b. Identify any acquisitions not on record and their quantities.

    c. Identify any contractor / loaned property not on record and quantities.

    d. Track quantity of property and times you find property not on record, analyze how it got there, identify any process change or training required, keep charts to see that the trend is receding.

6. Check for all procurement types including transfers, loans, expense reports, credit cards, donations, and such.

7. Pull sample of receiving documents. Match purchase orders, receivers, and payments.

    a. Review a sample from each region periodically.

b. Identify receipts had not been “received and recorded” in a timely manner.

- How long did it take (make a chart and maintain).
- What were the reasons the property missed being recorded.

8. Identify all receiving areas and take a sample by asking them the following questions.

   a. How do you know you are receiving capital or accountable property.

   b. What do you do when you are receiving capital or accountable property.

   c. How do you know you are receiving other than ED property.

9. From inventory or random checks, do the following.

   a. Perform a floor to record check: walk around and identify accountable property and see if it has a proper tag.

   b. Perform a record to floor check: select a sample and check the record.

10. Record items that are in-house for use without being tagged. Keep statistics and identify any trends. Analyze how it got there and take action.

11. Perform a random record check:

   a. Floor to record: verify that all selected items are on record and that all required data elements are present for each item (see procedure). Identify what elements are missing and try to determine why. Quantify and track the errors.

   b. Records to floor: verify that all selected items are physically located. Record how many were found, how many were found in the correct location, used by the right office, or not being used at all.

12. Perform a sample for grant or contractor. Call and have them verify data and track the errors, if there are any.

13. Review system capabilities and what changes requests are outstanding.

14. Review the property passes that have been issued. Determine if they are still valid, the personnel they are issued to still have the applicable property, and if the pass is accurate and complete.

15. Review transfers and location movements. Identify any that do not complete the two-part process.

16. Verify that the area is secure, clean, and clearly identified.

17. Verity that the record identifies items in storage.

18. Verify that stored items are properly tagged.

19. Verify that the inventory was performed and results posted on time.

20. Ensure the inventory includes contractor / loaned property.

21. Record the timeliness of reconciliation.

22. Verify the reporting of discrepancies to the correct officer.

23. Record the percentage of record elements changed as a result of the inventory. Track the type and amount, and analyze for errors for improvement.

24. Document that financial reporting is in accordance with FASAB and that complete, accurate data is transmitted to Finance.

25. Ensure that fixed assets and financial schedules are reconciled.

26. Identify the number of items that are idle for more than three months.

27. During sampling on floor to record, inquire what items are used for, level of use and frequency of use.

28. From PO's, identify any subcontractor with government property.

    a. Were proper terms and conditions/clauses flowed down?

    b. Have their procedures been received?

29. Verify that each disposition case was handled in the simplest manner.

30. Determine the ages of all disposition cases and identify any that are overage.

    a. Identify open action on cases.

    b. Have all dispositioned items been retired from the records?